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

If you have sold or transferred all your shares in HUABAO INTERNATIONAL HOLDINGS LIMITED, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00336)

**(1) PROPOSED ADOPTION OF 2024 SHARE OPTION SCHEME AND
TERMINATION OF 2016 SHARE OPTION SCHEME
AND
(2) PROPOSED ADOPTION OF 2024 SHARE AWARD SCHEME AND
TERMINATION OF 2022 SHARE AWARD SCHEME
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page shall have the respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the special general meeting of Huabao International Holdings Limited to be held at Room 1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 14 May 2024 at 9:45 a.m. or immediately after the conclusion of the annual general meeting of the Company to be held on the same date at 9:30 a.m. (whichever is later) is set out on pages SGM-1 to SGM-5 of this circular. A form of proxy for use at the special general meeting is enclosed and also made available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.hbglobal.com/>).

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 7:30 a.m. on 14 May 2024 and/or the Hong Kong Observatory has announced at or before 7:30 a.m. on 14 May 2024 that either of the above mentioned warnings is to be issued within the next two hours, or the extreme conditions as announced by the Government of Hong Kong still exist two hours prior to 9:30 a.m. on 14 May 2024, the special general meeting shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is in force between the hours from 7:30 a.m. to 9:30 a.m. or the extreme conditions as announced by the Government of Hong Kong still exist two hours prior to 9:30 a.m. and in such case the special general meeting shall be held at 9:45 a.m. on that Business Day at Suite 3008, 30th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or postponed, adjourned meeting. **Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting or any postponement or adjournment thereof if you so wish. If you attend and vote at the special general meeting in person, the authority of your proxy will be deemed to have been revoked. Every Shareholder or Proxy is recommended to wear surgical facial mask during their attendance of the Meeting; and no refreshment will be served and no gift will be distributed at the Meeting.**

* for identification purposes only

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DEFINITIONS

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

“2016 Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution passed by the then Shareholders at the annual general meeting held on 9 August 2016;
“2022 Share Award Scheme”	the existing share award scheme adopted by the Company pursuant to a resolution passed by the Board on 20 May 2022;
“2024 Share Award Scheme”	the new share award scheme which is proposed to be adopted by the Company pursuant to a resolution to be passed by the Shareholders at the SGM, a summary of the principal terms of which is set out in Appendix II to this circular;
“2024 Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company pursuant to a resolution to be passed by the Shareholders at the SGM, a summary of the principal terms of which is set out in Appendix I to this circular;
“2024 Share Schemes”	collectively, the 2024 Share Option Scheme and the 2024 Share Award Scheme;
“Adoption Date”	the date on which the 2024 Share Schemes are adopted by ordinary resolutions to be passed by the Shareholders at the SGM;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors of the Company from time to time;
“Award(s)”	an award of Awarded Shares to Selected Person(s) pursuant to the 2024 Share Award Scheme;
“Awarded Share(s)”	in respect of a Selected Person, such number of Shares determined by the Board for grant of an Award and such Shares can be:– (a) such existing Shares as may be purchased or acquired by the Trustee on-market or off-market by utilising the funds allocated by the Board out of the Group’s resources or cash proceeds in the Trust Funds pursuant to the 2024 Share Award Scheme;

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- (b) such new Shares as may be subscribed for by the Trustee by utilising the funds allocated by the Board out of the Group's resources or cash proceeds in the Trust Funds pursuant to the 2024 Share Award Scheme; and
- (c) such other Shares in the Trust Funds, including Returned Shares, Shares derived from Shares held by the Trustee (including fractional Shares resulting from any consolidation, re-classification or reorganisation of Shares, Shares as may be allotted or issued to the Trustee as a holder of Shares whether by way of distribution in scrip form, bonus Shares or otherwise), Shares transferred or caused to be transferred by the Company from other trusts set up by the Company for the purpose of share incentive schemes and, accepted by the Trustee as additions.

“Award Scheme Rules”	the rules of the 2024 Share Award Scheme in its present or any amended form;
“Board”	the board of Directors and for the purpose of the 2024 Share Award Scheme and the 2024 Share Option Scheme shall include such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors from time to time to administer the 2024 Share Award Scheme and/or the 2024 Share Option Scheme (as the case may be);
“Business Day(s)”	any day(s) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong, throughout their normal business hours, other than a Saturday, Sunday, or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“Bye-laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time;
“Cash Income”	cash income of any Awarded Share(s) including any deemed Cash Income as prescribed by the Award Scheme Rules;
“chief executive”	has the meaning ascribed to it under the Listing Rules;

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“Clawback”	the Company’s overriding right, authority and power to recover or withhold the Options (and underlying Shares) and Awarded Shares (and Related Distribution) (as the case may be) granted to any Participant in circumstances set out in the Option Scheme Rules and the Award Scheme Rules, respectively, which includes without limitation, (i) the return or repayment of all or a specified part of such Option or any Shares fall to be issued and allotted upon exercise of such Option by such Participant or Awarded Shares or Related Distribution (as the case may be) granted to such Selected Person and/or (ii) the ceasing or variation of the Participant’s/Selected Person’s entitlement to receive or be vested with all or a specified part of any such Option which has not yet been vested in the Participant or be issued and allotted with any Shares fall to be issued and allotted upon exercise of any such Option which has not yet been exercised by the Participant or Awarded Shares or Related Distribution (as the case may be) granted to such Selected Person;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Huabao International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00336);
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling Shareholder”	with respect of the Company, shall have the meaning ascribed thereto under the Listing Rules;
“core connected person(s)”	means a director, chief executive or substantial shareholder of the Company or of any of the subsidiaries of the Company or a close associate of any of them;
“Director(s)”	the director(s) (including any independent non-executive director) of the Company from time to time;
“Employee Participant(s)”	director(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the 2024 Share Option Scheme or Awards under the 2024 Share Award Scheme as an inducement to enter into employment contracts with these companies);

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“Excluded Person(s)”	any Participant(s) who is/are resident in a place outside Hong Kong where the settlement of the Reference Amount and/or the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the 2024 Share Award Scheme is not permitted under the applicable laws and regulations of such place or where in the view of the Board compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Participant;
“Existing Schemes”	collectively, the 2016 Share Option Scheme and the 2022 Share Award Scheme;
“Further Share(s)”	Share(s) purchased or subscribed by the relevant Trustee out of Cash Income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon trust under the relevant Trust;
“Grant Date”	in relation to any Award, the date specified in the Grant Letter given by the Company to the Selected Person(s) as the date of grant of the Awarded Shares, or such other date as determined by the Board, which, in each case, shall be a Business Day;
“Grant Letter”	a notification (regardless of the form and the manner/mode by which it is sent) to be given by the Company to a Selected Person whereby the Selected Person is informed of, among other things, the number of Awarded Shares to be granted to him/her, the vesting conditions attached therewith and the grant price (if any) payable by the Selected Person per Awarded Share;
“Grantee”	any Participant(s) who accepts an Offer in accordance with the terms of the 2024 Share Option Scheme and holder of any outstanding Option or (where the context so permits) a Personal Representative of such Grantee;
“Group”	the Company and its subsidiaries from time to time, and the expression “Group Company”, “Group member”, “member of the Group” and their grammatical derivatives shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time;

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“Latest Practicable Date”	10 April 2024, being the latest practicable date prior to the dissemination of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, supplemented or modified from time to time;
“Offer”	an offer of the grant of an Option made in accordance with the Option Scheme Rules;
“Offer Date”	in relation to any Option, the date on which an Offer of such Option is made to a Participant subject to and in accordance with the terms of the 2024 Share Option Scheme and which must be a Business Day, provided that the date on which the Board resolves to make an Offer should be taken as the Offer Date for the purpose of calculating the exercise price;
“Option”	a right granted to a Grantee to subscribe for Shares pursuant to the 2024 Share Option Scheme;
“Option Period”	in respect of any Option, a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the Offer Date (subject to the provisions for early termination), for the avoidance of doubt, such period may, if the Board so determines, be set at different lengths for different Grantees and the Board may also set conditions and/or restrictions on the exercise of such Option during the period an Option may be exercised;
“Option Scheme Rules”	the rules of the 2024 Share Option Scheme in its present or any amended form;
“Other Schemes”	other than the 2024 Share Option Scheme and/or the 2024 Share Award Scheme (as the case may be), all the schemes or arrangements involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules;

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- “Participant(s)” any person(s) belonging to any of the following classes of participants:
- (a) any Employee Participants;
 - (b) Related Entity Participants; and
 - (c) Service Providers;
- “Personal Representative(s)” means,
- (a) in relation to an Option granted under the 2024 Share Option Scheme, in case of the death, physical or mental disability or incapacity of the Grantee or other event which, in the opinion of the Board, deprives a Grantee of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee), such person(s) recognised by the Company as the representative(s) to be assigned with the Option(s) (to the extent exercisable but not already exercised) granted to such Grantee or otherwise be entitled to exercise such Option(s) (to the extent exercisable but not already exercised) acting on behalf of the Grantee in consequence of such events by operation of law and subject to provision of such evidence as to his or her entitlement as may from time to time be required by and to the satisfaction of the Board; and
 - (b) in relation to an Award granted under the 2024 Share Award Scheme, in case of the death, physical or mental disability or incapacity of a Selected Person or other event which, in the opinion of the Board, deprives a Selected Person of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Selected Person), such person(s) recognised by the Company as the representative(s) to be assigned or vested with the Award(s) granted to such Selected Person or otherwise acting on behalf of the Selected Person in consequence of such events by operation of law and subject to provision of such evidence as to his or her entitlement as may from time to time be required by and to the satisfaction of the Board;

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“Reference Amount”	in respect of a Selected Person, the sum of the closing price of the Shares as quoted on the Stock Exchange or par value (as the case may be) as at the Grant Date and the related purchase and/or subscription (as the case may be), expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee, if any) and such other necessary expenses required for the completion of the purchase and/or subscription (as the case may be) of all the Awarded Shares;
“Related Distribution(s)”	distribution(s) derived from any Awarded Share referable to a Selected Person, the record date for entitlement of which falls within the period from the Grant Date to the Vesting Date (both days inclusive) of such Awarded Share, that is determined by the Board at its sole and absolute discretion as “Related Distribution” and received by the relevant Trustee as holder of the Awarded Share, which may include distributions whether in the form of cash, securities or otherwise, such as cash dividend and its scrip Shares alternative (if any), bonus Shares, distribution in specie, but shall, for the avoidance of doubt, exclude any Residual Cash;
“Related Entity(ies)”	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company;
“Related Entity Participant(s)”	director(s) and employee(s) (whether full time or part time employees) of the Related Entities;
“Remuneration Committee”	the remuneration committee of the Board;
“Residual Cash”	in respect of each of the Trusts, cash remaining in any Trust Fund in respect of the 2024 Share Award Scheme held by the relevant Trustee (including interest income derived from deposits maintained with licensed banks in Hong Kong, which has not been applied in the acquisition or subscription of the Awarded Shares or Further Shares) which does not include the Related Distributions;
“Returned Share(s)”	any Awarded Share(s) (out of the relevant Awarded Shares which are referable to a Selected Person) which is/are not accepted or vested in accordance with the terms of the 2024 Share Award Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or any Share(s) forfeited or otherwise deemed to be Returned Shares in accordance with the terms of the 2024 Share Award Scheme;
“Scheme Mandate Limit”	has the meaning as defined in paragraph 5 of Appendix I to this circular;

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“Selected Person(s)”	Participant(s) (other than any Excluded Person(s)) whom the Board may, from to time, at its absolute discretion select for participation in the 2024 Share Award Scheme;
“Service Provider(s)”	person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth/success of the Group, including but not limited to person(s) who work for any member of the Group as independent contractors where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	has the meaning as defined in paragraph 5 of Appendix I to this circular;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SGM”	the special general meeting of the Shareholders to be convened on Tuesday, 14 May 2024 at 9:45 a.m. or immediately after the conclusion of the annual general meeting of the Company to be held on the same date at 9:30 a.m. (whichever is later) at Room 1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong, or any postponement or adjournment thereof, for approving, among other things, (i) the proposed adoption of 2024 Share Option Scheme and 2024 Share Award Scheme, together with the relevant Scheme Mandate Limit and Service Provider Sublimit, and (ii) the termination of 2016 Share Option Scheme and 2022 Share Award Scheme;
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company (and for the purpose of the 2024 Share Schemes shall include ordinary share(s) of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option as determined by the Board, but subject to the Option Scheme Rules, or (where applicable) such price as from time to time adjusted pursuant to the Option Scheme Rules;

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“subsidiary”	any entity which falls within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong issued by the SFC as amended, supplemented or otherwise modified from time to time;
“Trust(s)”	the trust(s) (which could be more than one trust if the Board in its sole and absolute discretion considers appropriate to segregate the trust assets for the benefit of different classes/categories of Selected Persons) constituted by the Trust Deed(s) to support and facilitate the operation of the 2024 Share Award Scheme;
“Trust Deed(s)”	in respect of each of the Trusts, the trust deed to be entered into between the Company on the one part and the relevant Trustee on the other part (as amended, supplemented and restated from time to time) in respect of the establishment of the Trust and administration of the 2024 Share Award Scheme;
“Trust Funds”	<p>in respect of each of the Trusts, means:</p> <ul style="list-style-type: none">(a) initial trust fund including such initial cash provided by the Company for setting up the Trust;(b) all money, investments or other property paid or transferred to or so as to be under the control of and, in either case, accepted by the Trustee as additions, including Shares acquired by or allotted to the Trustee, and such other Shares and/or funds transferred, or caused to be transferred, by the Company from other trusts set up by the Company for the purpose of share incentive schemes;(c) all accumulations (if any) of income added to the Trust Fund, including all cash or non-cash income or distributions due to or derived from the Shares held as part of the Trust Fund; and(d) the money, investments and property from time to time representing the above;

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“Trustee(s)”	in respect of each of the Trusts, the trustee to be appointed by the Company for the purpose of the Trust(s) which will hold the Shares (and the Related Distribution, if any) on trust for the benefit of the Selected Persons under the 2024 Share Award Scheme pursuant to the terms of the relevant Trust Deed;
“Vesting Date”	<p>(a) in relation to Options granted under the 2024 Share Option Scheme, the earliest date stated in the Offer on which the Option (or a tranche thereof) granted to a Grantee may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Option; and</p> <p>(b) in relation to Awarded Shares granted under the 2024 Share Award Scheme, the date on which a Selected Person’s entitlement to the Awarded Shares and Related Distribution, if any, is vested in accordance with the conditions as imposed by the Board or is deemed to have vested pursuant to the Award Scheme Rules;</p>
“Vesting Notice”	a notification (regardless of the form and the manner/mode by which it is sent) to be given by the Company to a Selected Person whereby a Selected Person is/informed of, among others, the number of Awarded Shares to be vested unto him;
“Vesting Period”	<p>(a) in relation to any Option granted under the 2024 Share Option Scheme, the period commencing on the date on which the Grantee accepts such Option granted to him/her and ending on the Vesting Date (both dates inclusive); and</p> <p>(b) in relation to Awards granted under the 2024 Share Award Scheme, the period commencing on the date on which the Awards have been granted to such Participant and ending on the Vesting Date (both dates inclusive); and</p>
“%”	per cent.

LETTER FROM THE BOARD



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00336)

Executive Directors:

Ms. CHU Lam Yiu (*Chairlady and CEO*)

Mr. LAM Ka Yu (*Co-Chairman*)

Mr. XIA Liqun (*Vice Chairman and President*)

Mr. POON Chiu Kwok (*Vice President and Company Secretary*)

Ms. LAM Ka Yan

Ms. CHOY Man Har

Independent Non-executive Directors:

Mr. LEE Luk Shiu

Mr. Jonathan Jun YAN

Mr. HOU Haitao

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business

in Hong Kong:

Suite 3008

30th Floor, Central Plaza

18 Harbour Road Wanchai

Hong Kong

18 April 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF 2024 SHARE OPTION SCHEME AND
TERMINATION OF 2016 SHARE OPTION SCHEME**

AND

**(2) PROPOSED ADOPTION OF 2024 SHARE AWARD SCHEME AND
TERMINATION OF 2022 SHARE AWARD SCHEME**

AND

(3) NOTICE OF SPECIAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval, inter alia, on the (i) proposed adoption of the 2024 Share Option Scheme and termination of the 2016 Share Option Scheme; and (ii) proposed adoption of the 2024 Share Award Scheme and termination of the 2022 Share Award Scheme. A notice of the SGM containing the resolutions to be proposed at the SGM is set out in this circular.

* for identification purpose only

LETTER FROM THE BOARD

II. PROPOSED ADOPTION OF THE 2024 SHARE SCHEMES AND TERMINATION OF EXISTING SCHEMES

The Existing Schemes

The 2022 Share Award Scheme and the 2016 Share Option Scheme were adopted by the Company on 20 May 2022 and 9 August 2016, respectively. The Existing Schemes are valid and effective for a period of ten years from their respective adoption date. As the amended Chapter 17 of the Listing Rules has taken effect on 1 January 2023, the Company proposes to terminate the Existing Schemes and adopt the 2024 Share Schemes. The provisions of the 2024 Share Schemes will comply with the requirements of the amended Chapter 17 of the Listing Rules which has taken effect from 1 January 2023.

Save for the Existing Schemes, the Company had no other subsisting share schemes involving grant by the Company whether options over new Shares or award in the form of new Shares or existing Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, (i) the Company had no outstanding share options granted under the 2016 Share Option Scheme; (ii) the maximum number of share options that can be granted by the Company under the 2016 Share Option Scheme was 299,665,796; (iii) the Company had not granted any awarded shares and therefore had no unvested awarded shares granted under the 2022 Share Award Scheme; (iv) no awarded shares in the form of new Shares can be granted by the Company under the 2022 Share Award Scheme; and (v) the Company had no intention to grant further share options or awarded shares under the Existing Schemes prior to the SGM.

Adoption of the 2024 Share Schemes

Reasons for the adoption of the 2024 Share Schemes

The Board proposes the adoption of the 2024 Share Schemes, which will be valid for 10 years from the Adoption Date. The purpose of the 2024 Share Schemes is (i) to replace the Existing Schemes; (ii) to recognise and acknowledge the contribution of the Participants and provide incentives to motivate Participants to contribute to, and promote the interests of, the Company by granting Options and/or Awarded Shares to them as incentives or rewards for their contribution to the growth and development of the Group; (iii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iv) to develop, maintain and strengthen long-term business relationships that the Participants may have with the Group for the benefit of the Group; and (v) to align the interest of the Grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

LETTER FROM THE BOARD

The Group is principally engaged in the research and development, production, distribution and sales of flavours and fragrances and food ingredients, tobacco raw materials (comprising the reconstituted tobacco leaves and tobacco new materials), aroma raw materials and condiment products in the PRC. Equity compensation, including provision of long-term share-based incentives to participants including employees of members of the Group and Related Entities as well as Service Providers, is common among public companies. It is also in line with modern commercial practice for public companies to adopt parallel share-based incentive schemes to offer them with discretion to link the value of the companies with the interests of the participants thereunder, enabling those participants and the companies to develop together and promote the corporate culture of the companies.

(a) Scope of Participants

The Board considers that the adoption and implementation of the 2024 Share Schemes will motivate more people to contribute to the Group's development. The 2024 Share Schemes, which allow grant by the Company of share-based incentive in the form of Options or Awarded Shares, will enable the Group to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group, and as such, it is in the interests of the Group as a whole that more and wider categories of people be eligible for the 2024 Share Schemes so as to incentivise them to contribute to the Group's growth and development. Furthermore, the Board considers that the Participants will share the same interests and objectives with the Group upon the grant of Options and/or Awarded Shares, which is in turn beneficial to the long-term development of the Group. In addition, the adoption of the 2024 Share Schemes is in line with modern commercial practice that full-time or part-time employees, directors, members of the management, advisors and consultants of the Group and the Shareholders be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution expected to be made to the growth of the Group with reference to their historical contribution; (iv) their length of engagement or employment with the Group; and (v) their educational and professional qualifications, and knowledge in the industry.

LETTER FROM THE BOARD

In assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business with reference to the historical positive impacts brought by such Related Entity Participant; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship.

Service Providers who are eligible under the 2024 Share Schemes are categorised into (i) distributors, contractors, suppliers and agents and (ii) consultants of any member of the Group who provide services to the Group to support the Group's business activities for the time being (namely research and development, production and sales of flavours and fragrances and food ingredients, tobacco raw materials, aroma raw materials, condiments and other new materials that are applicable to tobacco industry) and in the future, but for the avoidance of doubt shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Among the Service Providers eligible for grant of Options and/or Awarded Shares, (i) distributors, contractors, suppliers and agents are those that directly contribute to the long term growth of the Group's business by taking roles or providing services that are in a continuing and recurring nature in its ordinary and usual course of business, as their work is closely connected with various areas of the Group's day-to-day operations, including production, distribution and sales of flavours and fragrances and food ingredients, tobacco raw materials, aroma raw materials, condiments, and their performance will contribute to the operating performance and financial results of the Group, whilst (ii) consultants are those who would play significant roles in the Group's business development via their advisory role to the Group by contributing their specialised skills and knowledge in the business activities of the Group on a continuing and recurring basis, taking into account the industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas of the Group that such consultants possess, such that their continuing and recurring engagement and cooperation with the Group would benefit the Group with frequent and successive strategic advice and guidance in its

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ordinary and usual course of business and in planning and implementing overseas expansion of the business of the Group, which are substantively comparable to contributions of highly-skilled or executive employees of the Group. In particular, the distributors act as an intermediary connecting the Group with downstream entities and play a vital role in the supply chain to ensure efficient product distribution, expanding market reach and enhancing customer satisfaction via their logistic management skills, local networking and relationship building skills, negotiation and marketing ability; the contractors are responsible for providing services relating to the day-to-day operation and administration of the Group, such as human resources services, public relations services, research, development and design services, information technology services (including enterprise resource planning and email services), administrative, operational and business services; the suppliers provide a stable source of quality materials, energy resources and other necessary resources to the Group for its manufacture of products; and the agents are responsible for providing sales and purchases related services such as marketing, brand management, intellectual property management and promotion services.

In assessing the eligibility of Service Providers, the Board will consider all relevant factors as appropriate, including, among others:

- (i) in respect of agents, distributors, contractors and suppliers:
 - (a) the scale of the Service Provider's business dealings with the Group with regard to factors such as purchases or sales attributable to such Service Provider, the materiality and nature of such business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
 - (b) the ability of the Service Provider to maintain the quality of services;
 - (c) the performance and contribution of the Service Provider to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
 - (d) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects with regard to factors such as the expected change in the Group's profits and/or income which may be attributable to the Service Provider's collaboration with the Group with reference to the historical track record;
 - (e) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group (which shall not be less than 1 year); and
 - (f) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group;

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- (ii) in respect of consultants:
 - (a) the expertise, professional qualifications and industry experience of the Service Provider;
 - (b) the performance and contribution of the Service Provider(s) to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
 - (c) the materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
 - (d) the prevailing market fees chargeable by other services providers;
 - (e) the Group's period of engagement of or collaboration with the Service Provider (which shall not be less than 1 year); and
 - (f) the Service Provider's potential contribution to the Group with regard to factors such as the expected reduction in costs of the Group or increase in revenue or profit of the Group with reference to the historical actual contribution and track record.
- (iii) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length, type and nature of services provided to the Group by such Service Provider, and the recurrences and regularity of such services, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

Certain Service Providers, including mainly those under category (i), namely the agents, distributors, contractors and suppliers, which provide services on a regular and day-to-day basis to the Group which continuity and frequency are akin to employees of the Group, whereas those under category (ii), namely the consultants who provide advisory guidance on how the Group may manage its business in a more effective and efficient manner in order to maintain its competitiveness in the market from time to time on a continuous and recurring basis and to cope with the ever-changing landscape of the industry, may not be able to serve as full-time or part-time employees of the Group. Further, considering the Group's business model, human resources allocation strategy and that Service Providers and Related Entity Participants have contributed to the long-term growth/success of the Group's businesses, and that the success of the Group requires the co-operation and contribution not only from its directors and employees, but also from various other parties who play an instrumental role in and make actual or potential contributions to the business and development of the Group, the Board is of the view that it would be in the

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Company's interest to also have the flexibility to grant Options and/or Awarded Shares to the Related Entity Participants and Service Providers in recognition of their contribution to the Company. It also enables the Group to preserve its cash resources and use share-based incentives to encourage persons outside of the Group to contribute to the Group. The Board (including the independent non-executive Directors) considers that the inclusion of Related Entity Participants and the Service Providers as Participants, the proposed categories and the assessment criteria for the Related Entity Participants and the Service Providers are in line with the purpose of the 2024 Share Schemes, the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. The Directors (including the independent non-executive Directors) also consider that it is in the interest of the Company and the Shareholders as a whole to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options and/or Awarded Shares to these non-employee participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

If the Board decides to make any grant to any Service Provider under any of the 2024 Share Schemes, the Company will disclose in the announcement in respect of any such grant the relevant factors considered by the Company in making grants to Service Providers, including the quantitative threshold, if any, to enhance transparency.

The Company has not granted any share option under the 2016 Share Option Scheme to any Related Entity Participant, but has granted share options under the 2016 Share Option Scheme to the following Service Provider as per the announcement of the Company dated 6 May 2019:

Grantee and description	Number of Share options granted	Date of grant	Exercise price per Share (HK\$)	Exercise Period	Outstanding as at the Latest Practicable Date
Independent Business Consultant	11,000,000 Each share option entitles the grantee to subscribe for one Share.	6 May 2019	HK\$3.708	The share options granted were exercisable in two tranches (50% of share options granted in each tranche), with the first tranche exercisable from 5 November 2019 to 30 June 2020 (both days inclusive) and the second tranche exercisable from 5 May 2020 to 30 June 2020 (both days inclusive).	0 All such share options carrying rights to subscribe for 11,000,000 Shares in aggregate lapsed on 30 June 2020

The Company has not granted any share award under the 2022 Share Award Scheme, whether to any Related Entity Participant or Service Provider or otherwise.

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Therefore, the Board (including independent non-executive Directors) consider that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. Through the grant of the Options and/or Awarded Shares, such Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution.

(b) Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were 3,229,926,876 Shares in issue. Assuming that (a) no further Shares will be allotted, issued, repurchased or cancelled prior to the SGM and (b) the resolutions regarding the proposed adoption of the 2024 Share Schemes with the relevant Scheme Mandate Limit are passed at the SGM, (i) the total number of Shares which may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes would be no more than 322,992,687 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the total number of Shares that may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes to the Service Providers would be no more than 32,299,268 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date and no more than approximately 10% of the Scheme Mandate Limit.

The Service Provider Sublimit (namely, 1% of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit) is determined on the basis of, with reference to and having taken into account, among others, (i) the potential dilution effect arising from grants to the Service Providers, (ii) the importance of striking a balance between achieving the purpose of the 2024 Share Schemes and protecting the Shareholders from the dilution effect from granting a substantial amount of Options and Awarded Shares to the Service Providers, (iii) the extent of use of Service Provider in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers (under which the service fees payable to Service Providers are mainly paid and settled in the form of cash whilst equity compensation is only given occasionally to provide extra incentive, so it is expected that the Service Provider Sublimit will only occupy a relatively small proportion of the Scheme Mandate Limit), (iv) the expected reduction in costs of the Group or increase in revenue or profit of the Group which is attributable to Service Providers, and the nature of the Service Providers' contribution to the long-term growth/success of the Group's core business and the future capital need of the Group; and (v) the fact that the Company expects that a majority of Options and Awarded Shares will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders.

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Considering that there are no other share schemes over or funded by new Shares other than the 2024 Share Schemes after the termination of the Existing Schemes, and the Group's business model and human resources allocation strategy and contribution that have been made by the Service Providers to the long-term growth/success of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable given the Group's business needs, and such limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the 2024 Share Schemes.

(c) Vesting Period

The Vesting Period in respect of any Options and any Awarded Shares shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). However, to ensure the practicability in fully attaining the purpose of the 2024 Share Schemes, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Options and Awarded Shares, such as those set out in the paragraph headed "8. Vesting of Options" in the Appendix I and in the paragraph headed "7. Vesting of Awarded Shares" in the Appendix II to this circular; (b) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, for compliance and administrative purposes or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances, or such other time-based vesting criteria which effectively restricts a Grantee's Options or a Selected Person's Awarded Shares for at least 12 months.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in the paragraph headed "8. Vesting of Options" in the Appendix I and in the paragraph headed "7. Vesting of Awarded Shares" in the Appendix II to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2024 Share Schemes.

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(d) Basis of determining the Subscription Price of Options and grant price of Awarded Shares

Grantees to whom Options shall be granted are entitled to subscribe for the number of Shares at the Subscription Price as determined on the Offer Date. The basis for determining the Subscription Price (being the exercise price) is also specified precisely in the Option Scheme Rules, which is summarised under the paragraph headed “4. Subscription Price of Options” in the Appendix I to this circular. As the Subscription Price must be not less than the price stipulated in the Listing Rules, it is expected that Grantees will endeavour to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options, which in turn is expected to benefit the Company and the Shareholders as a whole.

The grant price of the Awarded Shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the purpose of the Award and the characteristics and profile of the Selected Person. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a grant price for Awarded Shares, while balancing the purpose of the Award and the interests of Shareholders.

(e) Performance target and Clawback mechanism

Unless otherwise determined by the Board or specified in the grant, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Grantee and before the vesting of an Awarded Share granted to a Selected Person, provided that:

- (a) In respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Participant, the Board may, establish performance targets against the attainment of which the Options or Awards (as the case may be) granted to the Participants concerned. The Directors (or, as the case may be, the Remuneration Committee) shall have the authority, after the grant of any Option or Award (as the case may be) which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Directors (or, as the case may be, the Remuneration Committee).
- (b) Proposed performance targets include business, financial, operations and creation of capital value for the Group’s business segments (such as increase in revenue and net profit) as well as that for the Participants based on individual performance indicators relevant to their roles and responsibilities. The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the Participants with the pre-agreed targets to determine whether the targets and the extents to which the targets have been met.

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The Board considers that it may not always be appropriate to impose performance target particularly when the purpose of granting Options and Awarded Shares is to remunerate or compensate employees. The Board may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Options may be exercised and Awarded Shares may be vested. The Board believes that it is not practicable to expressly set out a generic set of performance targets in the Option Scheme Rules and Award Scheme Rules, as each Participant will play different roles and contribute in different ways to the Group, and new performance targets may be taken into account and/or imposed depending on the development of the industry segment and the macro environment. Providing the Board with more flexibility in setting the terms and conditions of the Options and Awarded Shares under particular circumstances of each grant will facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

In circumstances where it, in the absolute opinion of the Board, may be regarded as inequitable for any Options or Awarded Shares (together with the Related Distribution, if any) to be vested or retained and/or (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option to be held (as the case may be) by any Grantee/Selected Person, including but not limited to where there has been a material misstatement or omission in the financial reports of the Group or if the relevant Grantee/Selected Person has committed any fraud or serious misconduct, such Option if any, and (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option and Awarded Shares (together with the Related Distribution) if any, shall be subject to Clawback. For the avoidance of doubt, any Options, (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Options and Awarded Shares (and the Related Distribution, if any) may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

The Board considers that the Clawback mechanism to clawback the Options and/or Awarded Shares granted to Grantees/Selected Persons culpable of misconduct and those Options and/or Awarded Shares which should not have been vested but for the material misstatement or omission in the financial reports of the Group, and is therefore in line with the purpose of the 2024 Share Schemes and in the interests of Group and the Shareholders as a whole.

Conditions precedent of the 2024 Share Schemes

The 2024 Share Schemes shall take effect upon satisfaction of the following conditions:

- (i) the passing of the necessary resolutions to adopt the 2024 Share Schemes by the Shareholders in a general meeting of the Company and to grant authorities to the Board to (in the case of the 2024 Share Option Scheme) grant Options under the 2024 Share Option Scheme in accordance with the Option Scheme Rules and allot, issue and deal in such number of Shares fall to be issued on the exercise of any Options to be granted under the 2024 Share Option Scheme; and (in the case of the 2024 Share Award Scheme) grant Awarded Shares under the 2024 Share Award Scheme in accordance with the Award Scheme Rules; and

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- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, (in the case of the 2024 Share Option Scheme) the Shares which may fall to be issued pursuant to the exercise of any such Options in accordance with the terms and conditions of the 2024 Share Option Scheme; and (in the case of the 2024 Share Award Scheme) the Shares which may fall to be issued by the Company in respect of all the Awards to be granted in accordance with the terms and conditions of the 2024 Share Award Scheme.

General

None of the Directors is a trustee of the 2024 Share Schemes nor has a direct or indirect interest in the trustees of the 2024 Share Schemes (if any).

As at Latest Practicable Date, the Company had not granted or proposed to grant or intended to grant any Options or Awarded Shares under the 2024 Share Schemes.

A summary of the principal rules of the 2024 Share Option Scheme and 2024 Share Award Scheme is set out in Appendix I and Appendix II to this circular, respectively.

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Options and/or Awarded Shares to be granted under the 2024 Share Schemes.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2024 Share Schemes. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

III. SPECIAL GENERAL MEETING

The Company will convene the SGM at Room 1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 9:45 a.m. on Tuesday, 14 May 2024 or immediately after the conclusion of the annual general meeting of the Company to be held on the same date at 9:30 a.m. (whichever is later), or any postponement or any adjournment thereof, for the purpose of considering and, if thought fit, approving the resolutions set out in the notice of the SGM as set out on pages SGM-1 to SGM-5 of this circular, including (among other things) (i) the proposed adoption of 2024 Share Option Scheme and 2024 Share Award Scheme together with the relevant Scheme Mandate Limit and Service Provider Sublimit, and (ii) termination of 2016 Share Option Scheme and 2022 Share Award Scheme.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution approving the adoption of the 2024 Share Schemes and the Scheme Mandate Limit.

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A form of proxy for use in connection with the SGM is enclosed herewith. Such form of proxy can also be downloaded from the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.hbglobal.com. Whether or not you intend to be present and vote at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time scheduled for holding the SGM or any postponement or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM (or the postponed or adjourned meeting) in person should you so wish. If you attend and vote at the SGM, the authority of your proxy will be revoked.

IV. CLOSURE OF REGISTER OF MEMBERS FOR SPECIAL GENERAL MEETING

In order to determine the entitlement of Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from 9 May 2024 to 14 May 2024, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8 May 2024. Shareholders whose names are recorded in the register of members of the Company on 14 May 2024 are entitled to attend and vote at the SGM.

V. 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 Group. 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.

VI. RECOMMENDATION

The Directors consider that the adoption of the 2024 Share Schemes and the termination of the Existing Schemes are in the best interests of the Company and its Shareholders as a whole and accordingly recommend you to vote in favour of the resolution relating thereto.

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If Shareholders have chosen not to attend the SGM in person and have any questions about the relevant resolution, they are welcome to contact the Company via the following:

E-mail: ir@huabao.com.hk

Tel: +852 2877 8999

Fax: +852 2511 8229

If Shareholders have any questions relating to the SGM, please contact the Company's branch share registrar in Hong Kong, its name, address and contact details are as follows:

Tricor Tengis Limited

17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

E-mail: is-enquiries@hk.tricorglobal.com

Tel: +852 2980 1333

Fax: +852 2810 8185

VII. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.hbglobal.com/>) for a period of not less than 14 days before the date of the SGM:

- (a) Option Scheme Rules; and
- (b) Award Scheme Rules.

Yours faithfully,
By Order of the Board
Huabao International Holdings Limited
POON Chiu Kwok
Executive Director

The following is a summary of the principal rules of the 2024 Share Option Scheme but does not form part of, nor was it intended to be, part of the 2024 Share Option Scheme nor should it be taken as affecting the interpretation of the 2024 Share Option Scheme:

1. Purposes of the 2024 Share Option Scheme

The purposes of the 2024 Share Option Scheme are to (i) to recognise and acknowledge the contribution of the Participants and provide incentives to motivate Participants to contribute to, and promote the interests of, the Company by granting Options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop and, maintain and strengthen business long-term relationships that with the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

2. Administration of the 2024 Share Option Scheme

The 2024 Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Option Scheme Rules) in all matters arising in relation to the 2024 Share Option Scheme and the Option Scheme Rules or their interpretation or effect shall, subject to all applicable laws, rules and regulations (including the Listing Rules) and requirements of any competent authorities and other than matters which require approval by the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) as required in the Option Scheme Rules or under the Listing Rules, shall be final and binding on all parties who may be affected thereby, subject to the prior receipt of a statement in writing from the Auditors or the independent financial adviser if and as required.

3. Grant of Options

Upon and subject to the terms of the 2024 Share Option Scheme and all applicable laws, rules and regulations (including the Listing Rules), the Board shall be entitled at any time within the period of ten (10) years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Subscription Price. In particular, the eligibility of each of the Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (a) in assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution expected to be made to the growth of the Group with reference to their historical contribution; (iv) their length of engagement or employment with the Group; and (v) their educational and professional qualifications, and knowledge in the industry;

- (b) in assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and/or growth of the Group's business with reference to the historical positive impacts brought by such Related Entity Participant; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increasing its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship; and
- (c) in assessing the eligibility of Service Providers, the Board will consider all relevant factors as appropriate, including, among others:
- (i) in respect of agents, distributors, contractors and suppliers:
- (A) the scale of the Service Provider's business dealings with the Group with regard to factors such as purchases or sales attributable to such Service Provider, the materiality and nature of such business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
- (B) the ability of the Service Provider to maintain the quality of services;
- (C) the performance and contribution of the Service Provider to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
- (D) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects with regard to factors such as the expected change in the Group's profits and/or income which may be attributable to the Service Provider's collaboration with the Group with reference to the historical track record;

- (E) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group (which shall not be less than 1 year); and
 - (F) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group;
- (ii) in respect of consultants:
- (A) the expertise, professional qualifications and industry experience of the Service Provider;
 - (B) the performance and contribution of the Service Provider(s) to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
 - (C) the materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
 - (D) the prevailing market fees chargeable by other services providers;
 - (E) the Group's period of engagement of or collaboration with the Service Provider (which shall not be less than 1 year); and
 - (F) the Service Provider's potential contribution to the Group with regard to factors such as the expected reduction in costs of the Group or increase in revenue or profit of the Group with reference to the historical actual contribution and track record.
- (iii) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length, type and nature of services provided to the Group by such Service Provider, and the recurrences and regularity of such services, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

For so long as the Shares are listed on the Stock Exchange:

- (a) an Offer must not be made after an inside information has occurred or an inside information has been the subject of a decision, until (and including) the trading day after such inside information has been duly published and announced. In particular, no Offer shall be made and no Options shall be granted during the period commencing one month immediately before the earlier of:

- (iv) 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 year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (v) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement (and for the avoidance of doubt, no Offer shall be made and no Option shall be granted during any period of delay in publishing a results announcement); and

- (b) no Offer shall be made and no Options shall be granted to any Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

4. Subscription Price of Options

The Subscription Price (subject to the adjustments in accordance with the Option Scheme Rules) shall be a price determined by the Board and notified to a Participant and shall be at least the higher 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 5 Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

5. Scheme Mandate Limit and Service Provider Sublimit

Subject to refreshment and adjustment pursuant to the Option Scheme Rules, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the 2024 Share Option Scheme, all Awards to be granted under the 2024 Share Award Scheme, and all share options and all share awards to be granted under any Other Schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, and the maximum number of Shares which may be allotted and issued in respect of all Options, all Awards, all share options and all share awards to be granted to Service Providers under the 2024 Share Option Scheme, 2024 Share Award Scheme and any Other Schemes ("**Service Provider Sublimit**") must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date, unless the Company seeks separate Shareholders' approval in general meeting, provided that:

- (a) the Options in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) are granted only to Participants specifically identified by the Company before such approval is sought;

- (b) Where required by the Listing Rules, the Company must send a circular to the Shareholders within such time as may be specified in the Listing Rules disclosing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and
- (c) the number and terms of Options to be granted to such Participant must be fixed before the Shareholders' meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.

For the purposes of calculating the Scheme Mandate Limit and Service Provider Sublimit, Shares which are the subject matter of any Options, any share options and share awards that have already lapsed in accordance with the respective terms of the 2024 Share Option Scheme, 2024 Share Award Scheme and any Other Schemes shall not be regarded as utilised and hence shall not be counted.

The Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of all Options to be granted under the 2024 Share Option Scheme, all Awards to be granted under the 2024 Share Award Scheme and all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit (and New Service Provider Sublimit). Shares which are subject matter of any Options, any Awards, any share options and share awards previously granted under the 2024 Share Option Scheme, 2024 Share Award Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Options, share options and share awards that are already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

Further to the requirements set out above, any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, subject to the following:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.
- (c) the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the New Service Provider Sublimit, as the case may be) has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the 2024 Share Option Scheme, all Awards to be granted under the 2024 Share Award Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the New Service Provider Sublimit, as the case may be) as a percentage of the total number of the issued Share at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

6. Maximum entitlements to each Participant and Options granted to certain connected persons

Each grant of Option(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options).

The total number of Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme, all Awards granted under the 2024 Share Award Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, Awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (“**Individual Limit**”).

Where it is proposed that any Offer be made to a Participant which would result in the Shares issued and to be issued in respect of all Options granted and proposed to be granted to such Participant (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, Awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant proposed Offer Date exceeding the Individual Limit, such proposed further grant of Options shall be subject to and conditional upon the following conditions:

- (a) such proposed grant of Options having been separately approved by the Shareholders in general meeting of the Company with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting;
- (b) where required by the Listing Rules, the Company having first sent a circular to Shareholders within such time as may be specified in the Listing Rules disclosing such information required under the Listing Rules (which may include, where required, the identity of the Participant, the number and terms of the Options to be granted (and Options, share options or share awards previously granted to such Participant in the aforesaid 12-month period), the purpose of granting the Options to the Participant, an explanation as to how the terms of the Options serve such purpose); and
- (c) the number and terms of such Options to be granted to such Participant having been fixed before the date on which Shareholders' approval on such grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme, all Awards granted under the 2024 Share Award Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or such Other Scheme(s)) to such person in the 12-month period up to and including the relevant Offer Date representing in aggregate over 0.1% of the Shares in issue, such further grant of Options shall be subject to and conditional upon the following conditions:

- (a) where required under the Listing Rules, the Company having sent a circular to the Shareholders containing information set out below within such time as may be specified in the Listing Rules; and

- (b) where required under the Listing Rules, such grant of Options having been approved by the Shareholders in general meeting of the Company at which the Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting, and the Company having complied with Rules 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

The circular to be issued by the Company to the Shareholders pursuant to the provisions above must contain the following information:

- (a) details of the number and terms of the Options to be granted to each Participant (including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules), which must be fixed before the Shareholders' meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the Listing Rules (including, where applicable, Rule 17.02(2)(c) and Rule 2.17 of the Listing Rules).

7. Exercise of Options

An Option may be exercised in whole or in part by the Grantee (or his Personal Representative(s)) during the Option Period by giving notice in writing to the Company (or to such entity or via such platform in such manner designated by the Board from time to time) stating that the Option is to be exercised and the number of Shares in respect of which it is exercised in such manner specified in the Offer, or by such other method as the Board may from time to time prescribe.

Subject to the terms of the 2024 Share Option Scheme and the terms and conditions set out in the Offer (including the attainment of any performance targets stated therein, if any), an Option may be exercised by the Grantee (or his Personal Representative(s)) at any time during the Option Period, provided that:

- (a) subject to sub-paragraphs (d) and (h) below and paragraph 12(c), where the Grantee (being an Employee Participant at the time of Offer) of an outstanding Option ceases to be an Employee Participant for any reason, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Company or any subsidiary of the Company whether salary is paid in lieu of notice or not, provided that if any of the events referred to in sub-paragraphs (e), (f), (g) or (h) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to sub-paragraphs (e), (f), (g) or (h) respectively;
- (b) subject to sub-paragraphs (c), (d) and (h) below and paragraph 12(c), where the Grantee (being an Related Entity Participant at the time of Offer) of an outstanding Option ceases to be an Related Entity Participant for any reason, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Related Entity to which such Grantee is previously employed, holds directorship or office whether salary is paid in lieu of notice or not, provided that if any of the events referred to in sub-paragraphs (e), (f), (g) or (h) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to sub-paragraphs (e), (f), (g) or (h) respectively;
- (c) where the Grantee (being a Related Entity Participant at the time of Offer) of an outstanding Option ceases to be a Related Entity Participant because the Related Entity to which such Grantee is employed, holds directorship or office ceases to be a Related Entity, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee may exercise the Option up to his or her entitlement at the date of such cessation (to the extent exercisable but not already exercised) within such period determined by the Board and any Option not so exercised shall lapse at the end of such period, provided that if any of the events referred to in sub-paragraphs (e), (f), (g) or (h) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to sub-paragraphs (e), (f), (g) or (h) respectively;

- (d) where the Grantee of an outstanding Option dies or for Grantee (being Employee Participant or Related Entity Participant at the date of Offer) otherwise ceases to be an Employee Participant or Related Entity Participant (as the case may be) by reason of physical or mental disability or incapacity or other event which, in the opinion of the Board, deprives him of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee) before exercising the Option in full or at all and none of the events which would be a ground for termination of his employment or appointment as specified in paragraph 12(c) has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Option (to the extent exercisable but not already exercised) may be exercised up to the entitlement of such Grantee at the date of his death, physical or mental disability or incapacity or such other event by the Grantee or his Personal Representative(s) within twelve months after the date of death, physical or mental disability or incapacity or such other event (or such other period as the Board may determine), such date shall be ascertained and determined by the Board upon receipt of documentary evidence provided by the Personal Representative(s) to the satisfaction of the Board, provided that (i) in respect of any Options that may have met the earliest Vesting Date as stated in the Offer but have not been vested because the performance targets stated in the Offer have not been satisfied, the Board may (but not obliged to) by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the Grantee or his Personal Representative(s) may exercise such Option in respect of such number of Shares and within such time as the Board may consider appropriate, such to any conditions or limitation as they may impose; and (ii) if any of the events referred to in sub-paragraphs (e), (f), (g) or (h) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs sub-paragraphs (e), (f), (g) or (h) respectively;
- (e) If there is a change of control of the Company leading to a general offer (whether by way of a takeover offer, share buyback offer, or scheme of arrangement or otherwise in the like manner, but other than a privatisation offer as stated below) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his Personal Representative(s), as the case may be) may by notice in writing to the Company within 14 days after (i) in case of a scheme of arrangement, such scheme becoming effective, or (ii) in any other cases, such offer (or the revised offer) becoming or being declared unconditional (or such other period as the Board may in its sole and absolute discretion determine provided that such other period shall not exceed the expiry of the original Option Period) exercise the Option to its full extent or to the extent specified in such notice, notwithstanding that the Option Period in respect of the relevant Option may not have commenced, and for the purpose of this sub-paragraph (e), “control” shall have the meaning as specified in the Takeovers Code from time to time;

- (f) If an offer to acquire and/or cancel the Shares arising from a privatisation proposal of the Company, whether by way of take-over offer, share buy-back offer, or scheme of arrangement or otherwise and whether or not involving a change of control of the Company, is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by such offeror and/or any person acting in association or concert with such offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his Personal Representatives) may thereafter (but before such time as shall be notified by the Company in writing not exceeding the expiry of the original Option Period) and in any case, before (i) in case of a scheme of arrangement, the latest time for lodging transfer of Shares in order to qualify for entitlements under such scheme of arrangement, or (ii) in any other case, the close of such offer (or any revised offer) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice notwithstanding that the Option Period may not have commenced at that time, and for the purpose of this sub-paragraph (f), “control” shall have the meaning as specified in the Takeovers Code from time to time;
- (g) In the event a compromise or arrangement between the Company on the one hand and its members and/or creditors on the other hand is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company summoning a meeting to consider such a compromise or arrangement give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the said proposed meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, and the Company may require any Grantee (or his Personal Representative(s)) to transfer or deal with the Shares issued as a result of the exercise of Options in this circumstances so as to place the Grantee (or his Personal Representative(s)) in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement;

- (h) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;
- (i) where the Grantee (being an Employee Participant or Related Entity Participant at the date of Offer) of an outstanding Option ceases to be an Employee Participant or Related Entity Participant (as the case may be) by reason of retirement in accordance with the terms of his contract of employment or appointment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his employment or appointment as specified in paragraph 12(c) has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee shall be entitled within a period of 12 months from the date of retirement (or such other period as the Board may determine) to exercise the Option up to the Grantee's entitlement (to the extent exercisable but not already exercised) provided that if any of the events referred to in sub-paragraphs (e), (f), (g) or (h) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to sub-paragraphs (e), (f), (g) or (h) respectively;
- (j) where the Grantee of an outstanding Option is a Related Entity Participant or Service Provider at the date of Offer, subsequently in the absolute opinion of the Board ceases to be qualified as a Participant by reason of termination of its business relation with the Company or the relevant subsidiary of the Company or otherwise, then unless the Board shall in its sole and absolute discretion determine otherwise, any outstanding Options held by such Grantee shall lapse with immediate effect on the date when the Company notifies such Grantee of the relevant termination; and
- (k) as regards a Participant Vehicle,
- (A) the provisions of paragraph 7 and paragraph 12 shall apply to such Participant Vehicle and to all Options held by such Participant Vehicle, *mutatis mutandis*, as if such Options were still held by the individual Grantee from whom such Option(s) has/have transferred to the Participant Vehicle, and such Options shall accordingly lapse or fall to be exercisable upon expiry of such periods specified in paragraph 7 following occurrence of the event(s) referred to in paragraph 7 with respect to the relevant Grantee; and

- (B) all the Options held by the Participant Vehicle shall lapse and determine on the date of the Participant Vehicle ceased to be wholly-owned by the relevant individual Grantee and any of his or her family members, or where the Participant Vehicle is a trust of which the relevant individual Grantee or any of his or her family members is a beneficiary or discretionary object, on the date the relevant individual Grantee or his or her family member ceases to be a beneficiary or discretionary object (unless the Board shall in its sole and absolute discretion determine otherwise).

Any Share to be allotted and issued upon exercise of an Option shall not carry voting rights until the registration of the Grantee (or his Personal Representative(s) or Participant Vehicle, as the case may be) as the holder thereof in the register of members of the Company. The Shares to be allotted upon the exercise of an Option shall be subject to the Bye-laws and any applicable laws, rules and regulations (including the Listing Rules) for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

8. Vesting of Options

The Vesting Period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to Employee Participants may be subject to a shorter Vesting Period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

- (a) grants of “make-whole” Options to a new Employee Participant to replace the share awards or share options that such Employee Participant forfeited when leaving his or her previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
- (c) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (d) grants of Options that are made in batches during a year for administrative and compliance reasons;

- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

9. Performance targets

Unless otherwise determined by the Board and/or specified in the Offer, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Grantee, provided that:

- (a) In respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Participant, the Board or such committee of the Board authorised by the Board for such purpose may, establish performance targets against the attainment of which the Options granted to the Participants concerned. The Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose) shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose).
- (b) Proposed performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the Participants based on individual performance indicators relevant to their roles and responsibilities. The Board (or, as the case may be, the Remuneration Committee, such committee of the Board or such other person authorised by the Board for such purpose) will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met.

10. Option Price

The acceptance of an Offer must be accompanied by payment in favour of the Company of HK\$1.00 as consideration for the Offer which shall be paid to the Company within the time stated in the Offer which shall be determined by the Board from time to time.

11. Duration of the 2024 Share Option Scheme

The 2024 Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date unless sooner terminated. The 2024 Share Option Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as but not limited to where the Board is of the view that the 2024 Share Option Scheme can no longer serve its designated purposes or when a new share option scheme is proposed to be adopted to replace the 2024 Share Option Scheme.

After the expiry or termination of the 2024 Share Option Scheme, no further Options shall be offered or granted under the 2024 Share Option Scheme, but in all other respects the provisions of the 2024 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the 2024 Share Option Scheme prior thereto or otherwise as may be required in accordance with the provisions of the 2024 Share Option Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the 2024 Share Option Scheme and their terms of grant.

12. Lapse of Options

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the Option Period (subject to any alteration pursuant to the provisions of the Option Scheme Rules subject to compliance with applicable laws, rules and regulations including the Listing Rules);
- (b) the expiry of any of the periods referred to in paragraph 7 (unless otherwise determined by the Board);
- (c) the date on which (i) the Grantee (being an Employee Participant as at the date of Offer) ceases to be an Employee Participant or (ii) the Grantee (being an Related Entity Participant as at the date of Offer) ceases to be a Related Entity Participant, in each case by reason of the termination of his employment or other contract on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws, rules and regulations or under the Grantee's service contract with the Company or the relevant subsidiary of the Company or the relevant Related Entity (as the case may be), and for the purpose of this paragraph 12, a resolution of the Board or the board of directors of such Related Entity (or equivalent organ thereof vested with the general power to manage the business and affairs of such Related Entity) to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph (c) shall be conclusive and binding on all persons who may be affected thereby;

- (d) the expiry of any period determined by the Board in relation to the matters set out in paragraph 7;
- (e) the date on which the grantee breaches any of the provisions set out in paragraph 15;
- (f) in respect of the Grantee other than an Employee Participant or Related Entity Participant (whether individual or corporation), the date on which the Board at their sole and absolute discretion determines that such Grantee has breached or otherwise failed to comply with any provisions of the relevant contract entered into between the Grantee on the one part and any member of the Group on the other part, or that the Grantee has breached its fiduciary duty owed to any member of the Group under the common law, or that the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of cessation of its relations with the Group or for any other reasons whatsoever;
- (g) the non-fulfilment of or failure to comply with any conditions specified by the Board in an Offer in accordance with the Option Scheme Rules;
- (h) the non-acceptance of the Offer on or before such latest time for acceptance as specified in the Offer or otherwise specified by the Board; or
- (i) the date when the Board resolves to exercise the right to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

13. Alteration of share capital

In the event of a capitalisation issue, bonus issue with price-dilutive element (as referred to in the Supplementary Guidance), rights issue, open offer with price-dilutive element (as referred to in the Supplementary Guidance), consolidation, subdivision or reduction of the share capital of the Company or such other event(s) as may be specified in the Listing Rules or the Supplementary Guidance from time to time under which an adjustment to the exercise or grant price and/or the number of shares subject to options or awards granted under a share scheme of a listed issuer is allowed whilst any Option has been granted and remains exercisable, corresponding adjustments (if any) may be made to the following:

- (a) the number or nominal amount of Shares subject to any Option so far as such Option remains unexercised; and/or
- (b) the Subscription Price;

and/or in the manner as the Board may deem appropriate provided that:

- (A) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;

- (B) any such adjustments must be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest integral whole Share, as that to which he was entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in this paragraph 13;
- (C) no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value;
- (D) any such adjustments must be fair and reasonable having regard to the Supplementary Guidance and satisfy the requirements of the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange including the Supplementary Guidance;
- (E) any such adjustments, save as those made on a capitalisation issue, shall be confirmed by the Auditors or the independent financial adviser in writing to the Board as satisfying the requirements of sub-paragraphs (B) and (C) above and the requirements of the relevant provisions of the Listing Rules; and
- (F) any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately prior to the occurrence of such event of alteration in the capital structure of the Company.

For the purpose of this paragraph 13,

- (a) “Supplementary Guidance” means the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No.072-2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time); and
- (b) the Auditors or the independent financial adviser shall act as experts and not as arbitrators and their certification shall in the absence of manifest error be final and binding on the Company, the Grantees and any persons who may be affected thereby, and their costs shall be borne by the Company.

14. Cancellation of Options

The Board in its absolute discretion may cancel an Option granted but not exercised with the approval of the grantee of such Option.

Options may be granted to a Participant in place of his cancelled Options provided that there are available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders from time to time. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

15. Rights are personal to Grantee

An Option shall be personal to the Grantee to whom it is made and shall not be assignable nor transferable, 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 so to do, save for (i) exercise of Options by the Grantee's Personal Representative(s) or its nominee(s) pursuant to the provisions of the Option Scheme Rules; and (ii) situation set out in the sub-paragraph below. The Personal Representative(s) and its nominee(s) shall comply with all provisions of the 2024 Share Option Scheme (including this paragraph 15), which shall apply *mutatis mutandis* to such Personal Representative(s) or its nominee(s). For the avoidance of doubt, where the Grantee is a corporate body, any change of its controlling Shareholder or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid, unless the Board shall in its sole and absolute discretion determine otherwise.

Where (i) the Board has expressly consented in writing (which consent may or may not be given by the Board at its absolute discretion), and (ii) the Stock Exchange has given an express waiver, the Grantee may be allowed to transfer such Option(s) granted to and held by him to a vehicle ("**Participant Vehicle**") (such as a trust or a private company) nominated by such Grantee for the benefit of the Grantee and any of his or her family members (e.g. for estate planning or tax planning purposes or such other purposes as the Board and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of 2024 Share Option Scheme and comply with other requirements of the provisions under 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 provide the Company with information on the beneficiaries or discretionary objects of such trust or the ultimate beneficial owners of such Participant Vehicle, evidence of such trust arrangement between the Grantee and the proposed Participant Vehicle and such other information as may be required by the Board or the Stock Exchange, and the Grantee shall also consent to the disclosure of such information in any public disclosure of the Company (including announcement, circular, and/or report to be published by the Company). The Participant Vehicle shall comply with all provisions of the 2024 Share Option Scheme (including this paragraph 15), which shall apply *mutatis mutandis* to the Participant Vehicle.

The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this paragraph 15, forthwith revoke any Option granted to such Grantee (to the extent not already exercised, whether vested or unvested) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damages against the Company, its officers and/or members of the Board or any of the foregoing for such revocation provided that the Company has acted in good faith.

16. Alteration of the 2024 Share Option Scheme and to the Options

The 2024 Share Option Scheme may be altered in any respect by the Board except that:

- (a) any alterations to the terms and conditions of the 2024 Share Option Scheme which are of a material nature including the provisions of the 2024 Share Option Scheme relating to the definitions of “Participant”, “Employee Participant”, “Related Entity”, “Related Entity Participant”, “Service Providers” and “Grantee” must be approved by the Shareholders in general meeting;
- (b) any alterations to the provisions of the 2024 Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees must be approved by the Shareholders in general meeting;
- (c) any change to the authority of the Board or the administrators of the 2024 Share Option Scheme to alter the terms of the 2024 Share Option Scheme must be approved by the Shareholders in general meeting; and
- (d) no such alterations shall operate to materially and adversely affect any subsisting rights of any Grantee under any Option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the Grantees (calculated on the basis of one vote per Share underlying the Option(s) held by such Grantees for the time being), as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares as if the Options constituted a separate class of share capital and as if the provisions under the Bye-laws for the time being of the Company applied *mutatis mutandis* thereto.

Notwithstanding any provisions of the Option Scheme Rules or any terms or conditions stated in the Offer but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Options granted to a Participant, provided that (i) any such alteration to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Options requires such approval (except where the change takes effect automatically under the existing terms of the 2024 Share Option Scheme); and (ii) any change in the terms of Options granted to a Participant who is a Director, chief executive or substantial Shareholder, or any of their respective associates, must be approved by Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of Options requires such approval (except where such changes take effect automatically under the existing terms of the 2024 Share Options Scheme). For the avoidance of doubt, the requirements for the grant to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Participant is only a proposed Director or chief executive of the Company.

The amended terms of the 2024 Share Option Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

17. Clawback

In circumstances where it, in the absolute opinion of the Board, may be regarded as inequitable for any Option to be vested on and/or (in case such option has been exercised) the underlying Shares issued and allotted upon exercise of such Option be held by any Participant, including but not limited to where there has been a material misstatement or omission in the financial reports of the Group or if the relevant Participant has committed any fraud or serious misconduct, such Option if any, and (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option shall be subject to Clawback. For the avoidance of doubt, notwithstanding anything else in the Option Scheme Rules, any Option and any Shares fall to be issued upon exercise of any Option may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

The following is a summary of the principal rules of the 2024 Share Award Scheme but does not form part of, nor was it intended to be, part of the 2024 Share Award Scheme nor should it be taken as affecting the interpretation of the 2024 Share Award Scheme:

1. Purposes of the 2024 Share Award Scheme

The purposes of the 2024 Share Award Scheme are (i) to recognise and acknowledge the contribution of the Participants and to motivate the Participants to contribute to, and promote the interests of, the Company by granting Awards to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term relationships that the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Selected Persons with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

2. Administration of the 2024 Share Award Scheme

The 2024 Share Award Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Award Scheme Rules) in all matters arising in relation to the 2024 Share Award Scheme, the Award Scheme Rules, the respective Trust Deed or their interpretation or effect shall, subject to all applicable laws, rules and regulations (including the Listing Rules) and requirements of any competent authorities and other than matters which require approval by the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) as required in the Award Scheme Rules or under the Listing Rules, be final and binding on all parties who may be affected thereby, subject to (where appropriate) the prior receipt of a statement in writing from the Auditors or the independent financial adviser if and as required.

3. Grant of Awards

Upon and subject to the terms of the 2024 Share Award Scheme and all applicable laws, rules and regulations (including the Listing Rules), the Board shall be entitled at any time within the period of ten (10) years after the Adoption Date to select any Participant (other than any Excluded Person) for participation in the 2024 Share Award Scheme. In particular, the eligibility of each of the Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (a) with respect to Employee Participants, the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution expected to be made to the growth of the Group with reference to their historical contribution; (iv) their length of engagement or employment with the Group; and (v) their educational and professional qualifications, and knowledge in the industry;

- (b) with respect to Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and/or growth of the Group's business with reference to the historical positive impacts brought by such Related Entity Participant; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increasing its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship; and

- (c) with respect to Service Providers, the Board will consider all relevant factors as appropriate, including, among others:
 - (i) in respect of agents, distributors, contractors and suppliers:
 - (A) the scale of the Service Provider's business dealings with the Group with regard to factors such as purchases or sales attributable to such Service Provider, the materiality and nature of such business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
 - (B) the ability of the Service Provider to maintain the quality of services;
 - (C) the performance and contribution of the Service Provider to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
 - (D) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects with regard to factors such as the expected change in the Group's profits and/or income which may be attributable to the Service Provider's collaboration with the Group with reference to the historical track record;

- (E) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group (which shall not be less than 1 year); and
 - (F) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.
- (ii) in respect of consultants:
- (A) the expertise, professional qualifications and industry experience of the Service Provider;
 - (B) the performance and contribution of the Service Provider(s) to the long-term growth/success of the Group having regard to the Service Provider's track record and historical contribution, including whether the Service Provider has a proven track record of delivering quality services;
 - (C) the materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
 - (D) the prevailing market fees chargeable by other services providers;
 - (E) the Group's period of engagement of or collaboration with the Service Provider (which shall not be less than 1 year); and
 - (F) the Service Provider's potential contribution to the Group with regard to factors such as the expected reduction in costs of the Group or increase in revenue or profit of the Group with reference to the historical actual contribution and track record.
- (iii) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length, type and nature of services provided to the Group by such Service Provider, and the recurrences and regularity of such services, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

For so long as the Shares are listed on the Stock Exchange:

- (a) an Award must not be made after an inside information has occurred or an inside information has been the subject of a decision, until (and including) such trading day after such inside information has been duly published and announced. In particular, no Award shall be made nor granted during the period commencing one month immediately before the earlier of:
 - (iv) 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 year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (v) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement (and for the avoidance of doubt, no Award shall be granted during any period of delay in publishing a results announcement);

- (b) no Award shall be made or granted to any Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and
- (c) accordingly, (i) no Award shall be made by the Board, and (ii) no instructions to acquire Shares shall be given to the relevant Trustee, and (iii) no acquisition shall be carried out by the Trustee, and (iv) no new Shares shall be allotted and issued under the 2024 Share Award Scheme, in each case, during the foregoing period(s).

4. Grant Price of Awarded Shares

The grant price of the Awarded Shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the purpose of the Award and the characteristics and profile of the Selected Person, which shall be paid to the Company within the time stated in the Grant Letter which shall be determined by the Board from time to time.

5. Scheme Mandate Limit and Service Provider Sublimit

Subject to refreshment and adjustment pursuant to the Award Scheme Rules, the maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the 2024 Share Award Scheme, all Options to be granted under the 2024 Share Option Scheme, and all share options and share awards to be granted under any Other Schemes (i.e. the Scheme Mandate Limit) shall not in aggregate exceed 10% of the number of issued Shares of the Company as at the Adoption Date (or such other limit (if any) prescribed by the Listing Rules from time to time), and the Service Provider Sublimit must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date, unless the Company has obtained separate approval by Shareholders, provided that:

- (a) the Awards in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) or the New Scheme Mandate Limit (or the New Service Provider Sublimit) are granted only to the Selected Person(s) specifically identified by the Company before such approval is sought;
- (b) the Company must send a circular to the Shareholders containing the name of each Selected Person who may be granted such Awards, the number of Awarded Shares and the terms of the Awards to be granted to each Selected Person, and the purpose of granting Awards to the specified Selected Persons with an explanation as to how the terms of the Awards serve such purpose; and
- (c) the number of Awarded Shares and terms of Awards to be granted to such Selected Persons must be fixed before Shareholders' approval.

For the purposes of calculating the Scheme Mandate Limit and Service Provider Sublimit, Shares which are the subject matter of any Options, any Awards, any options and awards that have already lapsed in accordance with the respective terms of the 2024 Share Option Scheme, 2024 Share Award Scheme and any Other Schemes shall not be regarded as utilised and hence shall not be counted.

The Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of all Options to be granted under the 2024 Share Option Scheme, all Awards to be granted under the 2024 Share Award Scheme and all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (i.e. the New Scheme Mandate Limit) must not exceed 10% (and the Service Provider Sublimit as refreshed (i.e. the New Service Provider Sublimit) must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit (and New Service Provider Sublimit). Shares which are subject matter of any Options, any Awards, any share options and share awards previously granted under the 2024 Share Option Scheme, 2024 Share Award Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Awarded Shares, share options and share awards that are already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

Further to the requirements set out above, any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, subject to the following:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.
- (c) the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the New Service Provider Sublimit, as the case may be) has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the 2024 Share Option Scheme, all Awards to be granted under the 2024 Share Award Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the New Service Provider Sublimit, as the case may be) as a percentage of the total number of the issued Share at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

6. Maximum entitlements to each Participant and Awards granted to certain connected persons

Each grant of Award(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Person in respect of the proposed Awards).

The total number of Shares issued and to be issued in respect of all Awards granted under the 2024 Share Award Scheme, all Options granted under the 2024 Share Option Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding share options and vested or outstanding Awarded Shares and awards but excluding any Options, Awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme, 2024 Share Award Scheme or any Other Schemes) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (i.e. Individual Limit).

Where any proposed grant of Awards to a Selected Person under the 2024 Share Award Scheme would result in Shares issued and to be issued in respect of all Awards, options or awards granted (including both exercised or outstanding share options and vested or outstanding Awarded Shares and awards but excluding any Awards, Options, share options and share awards lapsed in accordance with the terms of the 2024 Share Award Scheme, 2024 Share Option Scheme or any Other Schemes) to such Selected Person in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such proposed further grant of Awards shall be subject to and conditional upon the following conditions:

- (a) such proposed grant of Awards having been separately approved by the Shareholders in general meeting of the Company with such Selected Person and his/her close associates (or associates if the Selected Person is a connected person) abstaining from voting;
- (b) where required by the Listing Rules, the Company having first sent a circular to Shareholders within such time as may be specified in the Listing Rules disclosing such information required under the Listing Rules (which may include, where required, the identity of the Selected Person, the number of Awarded Shares and terms of the Awards to be granted (and those Awards, share options or share awards previously granted to such Selected Person in the aforesaid 12-month period), the purpose of granting the Awards to the Selected Person, an explanation as to how the terms of the Awards serve such purpose); and
- (c) the number of Awarded Shares and terms of Awards to be granted to such Selected Person having been fixed before the date on which Shareholders' approval on such grant is sought.

Where any grant of Awards under the 2024 Share Award Scheme to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all Awards and awards granted (excluding any Awards and share awards lapsed in accordance with the terms of the 2024 Share Award Scheme or any Other Schemes) to such Selected Person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued Shares, such grant of Awards must be approved by Shareholders in general meeting with such Selected Person, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting. In such event, the Company shall send a circular to the Shareholders within such time as may be specified in the Listing Rules, and the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Awards granted under the 2024 Share Award Scheme, all Options granted under the 2024 Share Option Scheme and all share options and share awards granted under any Other Schemes (excluding any Awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Award Scheme, 2024 Share Option Scheme or any Other Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued Shares, where required by the Listing Rules (i) such further grant of Awards must be approved by Shareholders in general meeting (with such Selected Person, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting); (ii) the Company shall send a circular to the Shareholders within such time as may be specified in the Listing Rules; and (iii) the Company shall comply with the requirements under rules 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

The circular to be issued by the Company to the Shareholders pursuant to the provisions above must contain the following information:

- (a) details of the number of Awarded Shares and terms of the Awards to be granted to each Selected Person (including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules), which must be fixed before the Shareholders' meeting on the grant is sought;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Person in respect of the proposed Awards) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the Listing Rules (including, where applicable, Rule 17.02(2)(c) and Rule 2.17 of the Listing Rules).

7. Vesting of Awarded Shares

The Vesting Period in respect of any Awarded Share shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Awards granted to Employee Participants may be subject to a shorter Vesting Period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

- (a) grants of "make-whole" Awards to a new Employee Participant to replace the awards or options that such Employee Participant forfeited when leaving his or her previous employer;

- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
- (c) grants of Awards with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (d) grants of Awards that are made in batches during a year for administrative and compliance reasons;
- (e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and
- (f) grants of Awards with a total vesting and holding period of more than 12 months.

8. Performance targets

Unless otherwise determined by the Board or and specified in the Grant Letter, there is generally no performance target that needs to be achieved before the vesting of Awarded Shares on a Selected Person, provided that

- (a) In respect of any Selected Person who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Selected Person, the Board or such committee of the Board authorised by the Board for such purpose may, establish performance targets against the attainment of which the Awards granted to the Selected Person concerned. The Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose) shall have the authority, after the grant of any Awards which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose).
- (b) Proposed performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the Selected Persons based on individual performance indicators relevant to their roles and responsibilities. The Board (or, as the case may be, the Remuneration Committee, such committee of the Board or such other person authorised by the Board for such purpose) will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met.

9. Duration of the 2024 Share Award Scheme

The 2024 Share Award Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date unless sooner terminated. The 2024 Share Award Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as but not limited to where the Board is of the view that the 2024 Share Award Scheme can no longer serve its designated purposes or when a new share award scheme is proposed to be adopted to replace the 2024 Share Award Scheme.

After the expiry or termination of the 2024 Share Award Scheme, no further Award shall be offered or granted under the 2024 Share Award Scheme but in all other respects the provisions of the 2024 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awarded Shares (together with, if applicable, the Related Distributions) granted under the 2024 Share Award Scheme prior thereto or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme, and the Awarded Shares (together with, if applicable, the Related Distributions) which are granted and subsisting under the 2024 Share Award Scheme prior to such termination shall continue to be in full force and effect in accordance with the 2024 Share Award Scheme and their terms of grant.

10. Lapse of Awards

In the event that prior to or on the Vesting Date in respect of a Selected Person any or more of the following event (each of these, an event of "Total Lapse") occurs:

- (a) where (i) the Selected Person (being an Employee Participant as at the Grant Date) ceases to be an Employee Participant or (ii) the Selected Person (being a Related Entity Participant as at the Grant Date) ceases to be a Related Entity Participant, in each case by reason of the termination of his employment or other contract on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws, rules and regulations or under the Selected Person's service contract with the Company or the relevant subsidiary of the Company or the relevant Related Entity (as the case may be), and for the purpose of this sub-paragraph (a), a resolution of the Board or the board of directors of such Related Entity (or equivalent organ thereof vested with the general power to manage the business and affairs of such Related Entity) to the effect that the employment or other relevant contract of a Selected Person has or has not been terminated on one or more of the grounds specified in this sub-paragraph (a) shall be conclusive and binding on all persons who may be affected thereby; or

- (b) where the Selected Person commits a breach of paragraph 13; or
- (c) in respect of the Selected Person other than an Employee Participant or Related Entity Participant (whether individual or corporation), where the Board at its sole and absolute discretion determines that such Selected Person has breached or otherwise failed to comply with any provisions of the relevant contract entered into between the Selected Person on the one part and any member of the Group on the other part, or that the Selected Person has breached its fiduciary duty owed to any member of the Group under the common law, or that the Selected Person could no longer make any contribution to the growth and development of any member of the Group by reason of cessation of its relationships with the Group or for any other reasons whatsoever; or
- (d) the relevant Selected Person fails to satisfy any or more of the vesting conditions such as the performance target(s) or such other condition(s) as set out in the Grant Letter; or
- (e) the Selected Person has, prior to the Vesting Date, become bankrupt or failed to pay his debts within a reasonable time after they become due; or has made any arrangement or composition with his creditors generally; or
- (f) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or
- (g) where the Board is of the view that an Award is subject to Clawback in its entirety and that the Board resolves to exercise the right to Clawback pursuant to the Company's policy on Clawback, as amended from time to time,

then unless the Board in its sole and absolute discretion determines otherwise, the Award shall automatically lapse forthwith and all the Awarded Shares of such Award (and, if applicable, the Related Distributions) shall not vest on the relevant Vesting Date and such Awarded Shares shall become Returned Shares whereas the Related Distributions (if any) shall be treated as Returned Shares and Cash Income (as the case may be) for the purposes of the 2024 Share Award Scheme.

In the event that prior to or on the Vesting Date, any or more of the following event (each of these, an event of “**Partial Lapse**”) occurs:

- (a) a Selected Person is found to be an Excluded Person; or
- (b) a Selected Person fails to return duly executed transfer documents (if any) or other documents prescribed by the relevant Trustee for the relevant Awarded Shares within the stipulated period; or
- (c) the Selected Person ceases to be an Employee Participant or a Related Entity Participant (as the case may be) by reason of physical or mental disability or incapacity or other event which, in the opinion of the Board, deprives him of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Selected Person) before vesting of the Awarded Shares in full or at all and none of the events which would be a ground for termination of his employment or appointment as specified in sub-paragraph (a) of Total Lapse event has arisen prior to the occurrence of such disability or incapacity, unless (i) all the vesting conditions of the Award have been satisfied (or otherwise waived by the Company in accordance with the Award Scheme Rules) prior to the occurrence of disability, or (ii) the vesting of the Awarded Shares is not subject to any vesting condition; or
- (d) the Selected Person dies prior to the vesting of Awarded Shares in full or at all and none of the events which would be a ground for termination of his employment or appointment as specified in sub-paragraph (a) of Total Lapse event has arisen prior to such death unless (i) all the vesting conditions of the Award have been satisfied (or otherwise waived by the Company in accordance with the Award Scheme Rules) prior to such death, or (ii) the vesting of the Awarded Shares is not subject to any vesting condition; or
- (e) where the Board is of the view that part of the Award is subject to Clawback and that the Board resolves to exercise the right to Clawback pursuant to the Company’s policy on Clawback, as amended from time to time; or
- (f) where the Company forfeits certain number of the Awarded Shares and the Related Distributions to reimburse tax and expenses payable or paid by the Company for and on behalf of such Selected Person,

then unless the Board in its sole and absolute discretion determines otherwise, the relevant part of the Award (or such part of Award as determined by the Board in its sole and absolute discretion) made to such Selected Person shall automatically lapse forthwith and the relevant portion of Awarded Shares (and, if applicable, the corresponding portion of the Related Distributions) shall not vest on the relevant Vesting Date and such portion of the Awarded Shares shall become Returned Shares whereas the such portion of the Related Distributions (if any) shall be treated as Returned Shares and Cash Income (as the case may be) for the purposes of the 2024 Share Award Scheme.

If an Award (or any part thereof) lapses solely because the Selected Person (or his Personal Representative(s)) is found to be an Excluded Person prior to or on the Vesting Date, the Board may, if in its sole and absolute discretion deems fit, direct and procure the relevant Trustee to sell, on-market at the prevailing market price, the number of Awarded Shares which should have been so vested upon such Selected Person but for his (or his Personal Representative(s)) being found to be an Excluded Person and pay the Selected Person the proceeds in cash arising from such sale based on the Actual Selling Price of such Awarded Shares and Related Distributions derived from such Awarded Shares as set out in the Vesting Notice. The “Actual Selling Price” shall mean the actual price at which the Awarded Shares are sold (net of brokerage, the Stock Exchange trading fee, SFC transaction levy, Financial Reporting Council transaction levy and any other applicable costs).

11. Takeover, rights issue, open offer, scrip dividend scheme, etc

Change of control

If there occurs an event of change in control of the Company (whether by way of a takeover offer, share buyback offer, or scheme of arrangement or otherwise in the like manner, but other than in the event of a privatisation offer as set out below), unless (i) the Board shall in its sole and absolute discretion determine otherwise or (ii) the relevant Selected Person voluntarily surrenders his/her interest in all Awarded Shares and the Related Distribution (if any), (A) all the then outstanding Awarded Shares yet to vest and, if applicable, the Related Distributions shall immediately vest on the date when such change of control event becomes or is declared unconditional (or such other date as the Board may determine) and such date shall be deemed to be the Vesting Date; and (B) subject to the receipt by the relevant Trustee of duly executed transfer documents (if any) and other relevant documents prescribed by the relevant Trustee within five (5) Business Days from the aforesaid deemed Vesting Date, the relevant Trustee shall transfer the Awarded Shares and, if applicable, the Related Distributions to the Selected Person. For the purpose of this paragraph 11, “control” shall have the meaning as specified in the Takeovers Code from time to time.

Privatisation offer

If an offer to acquire and/or cancel the Shares arising from a privatisation proposal of the Company, whether by way of takeover offer, share buy-back offer, or scheme of arrangement or otherwise is made to all the holders of the Shares (or all such holders other than the offeror of the offer and/or any person controlled by such offeror and/or any person acting in association or concert with such offeror) (i.e. Privatisation Offer), whether or not it involves a change of control of the Company, unless (i) the Board shall in its sole and absolute discretion determine otherwise or (ii) the relevant Selected Person voluntarily surrenders his/her interest in all Awarded Shares and the Related Distribution (if any), (A) all the then outstanding Awarded Shares yet to vest shall immediately vest upon such Privatisation Offer becomes or is declared unconditional (or such other date as the Board may determine) and such date shall be deemed to be the Vesting Date, and (B) the relevant Trustee shall accept any such offer (or any revised offer) by the offeror to acquire and/

or cancel the Awarded Shares and, if applicable, the Related Distributions and, notwithstanding any other provisions contained in these Scheme Rules, and (C) all proceeds in respect of the Awarded Shares and, if applicable, the Related Distributions paid or payable to or receivable by the relevant Trustee by reason of such acceptance or by reason of the Privatisation Offer becoming effective or being declared unconditional shall be applied by the relevant Trustee for the sole purpose of paying to or transferring to such Selected Persons by reference to the number of Awarded Share(s) and, if applicable, the Related Distributions attributable to such Selected Persons. The Selected Person shall have no claim or recourse against the Company or any Trustee in respect of the dealing with the Awarded Shares and, if applicable, the Related Distributions by the relevant Trustee in accordance with this sub-paragraph and the Selected Person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).

Open offer

In the event the Company undertakes an open offer of new securities in respect of any Share which are held by the Trustee under the 2024 Share Award Scheme and the record date for the entitlement to the open offer falls within the period from the Grant Date to the Vesting Date of such Awarded Shares (both dates inclusive), unless the Board shall in its sole and absolute discretion determine otherwise, the relevant Trustee shall not subscribe for any new Shares. In the event of a rights issue and the record date for the entitlement to the rights issue falls within the period from the Grant Date to the Vesting Date of such Awarded Shares (both dates inclusive), unless the Board shall in its sole and absolute discretion determine otherwise, the relevant Trustee shall sell such amount of the nil-paid rights allotted to it as is appropriate and the net proceeds of sale of such rights shall be held as Cash Income of the Trust Funds of the relevant Trust and applied in accordance with the Award Scheme Rules.

Bonus warrants

In the event the Company issues bonus warrants in respect of any Shares which are held by the relevant Trustee and the record date for the entitlement to the bonus warrants falls within the period from the Grant Date to the Vesting Date of such Awarded Shares (both dates inclusive), unless the Board shall in its sole and absolute discretion determine otherwise, the relevant Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants, the proceeds of which shall be held as Cash Income of the Trust Funds under the relevant Trust and shall be applied in accordance with the Award Scheme Rules.

Bonus shares

In the event the Company makes distribution by way of bonus Shares issues in respect of any Awarded Shares and the record date for the entitlement to the bonus Shares falls within the period from the Grant Date to the Vesting Date of such Awarded Shares (both dates inclusive), unless the Board shall in its sole and absolute discretion determine otherwise, the bonus Shares attributable to any then outstanding Awarded Shares held by the Trustee shall be held by the relevant Trustee as Related Distributions upon trust under the relevant Trust for the benefit of the relevant Selected Persons and shall be transferred to such Selected Person when the relevant Awarded Shares and the Related Distributions are transferred to the Selected Person in accordance with the Award Scheme Rules.

Scrip dividend scheme

In the event the Company undertakes a scrip dividend scheme, unless the Board shall in its sole and absolute discretion determine otherwise, the relevant Trustee shall elect to receive cash dividend but not scrip Shares which shall be held upon trust under the relevant Trust as Related Distributions.

Capitalisation of profits or reserves

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves, the Shares attributable to any Awarded Shares held by the Trustee shall be deemed to be an accretion to such Awarded Shares and shall be held by the Trustee as if they were Awarded Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Awarded Shares shall apply to such additional Shares.

Capitalisation issue, rights issue, consolidation, subdivision or reduction of share capital

In the event the Company undertakes a capitalisation issue, bonus issue with price-dilutive element (as referred to in the Supplementary Guidance), rights issue, open offer with price-dilutive element (as referred to in the Supplementary Guidance), consolidation, subdivision or reduction of the share capital of the Company, corresponding adjustments (if any) may be made to the number of the then outstanding Awarded Shares and/or the purchase price of the Awarded Shares granted or in the manner as the Board may deem appropriate, provided that:

- (a) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (b) any such adjustments must give a Selected Person the same proportion of the equity capital, rounded to the nearest integral whole share, as that to which that person is previously entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in this sub-paragraph (b);

- (c) no such adjustments may be made to the extent that a Share would be issued at less than its nominal value;
- (d) any such adjustments, save as those made on a capitalisation issue, shall be confirmed by the Auditors or the independent financial adviser (who shall act as experts and not as arbitrators and their certification shall in the absence of manifest error be final and binding on the Company, the Selected Persons and any persons who may be affected thereby, and their costs shall be borne by the Company) in writing to the Board as satisfying the requirements of sub-paragraphs (b) and (c) above and the requirements of the relevant provisions of the Listing Rules; and
- (e) all fractional Shares arising from such consolidation or subdivision in respect of the Awarded Shares of a Selected Person shall be deemed as Returned Shares for the purposes of the 2024 Share Award Scheme and shall not be transferred to the relevant Selected Person on the relevant Vesting Date.

Distribution in specie

In the event the Company declares any dividend in the form of a distribution in specie to Shareholders (including but not limited to circumstances where the Company carries out a spin-off and separate listing of a subsidiary of the Company by way of distribution in specie whereby the Shareholders will receive the relevant shares of the relevant subsidiary), unless the Board shall in its sole and absolute discretion determine otherwise, the shares of such subsidiary attributable to any then outstanding Awarded Shares held by the Trustee shall be held by the relevant Trustee as Related Distributions upon the Trust for the benefit of the relevant Selected Persons and shall be transferred to such Selected Person when the relevant Awarded Shares and, if applicable, the Related Distributions are transferred to the Selected Person in accordance with the Award Scheme Rules.

Non-cash and non-scrip distribution

In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon trust under the relevant Trust, unless the Board shall in its sole and absolute discretion determine otherwise, the relevant Trustee shall dispose of such distribution and the net sale proceeds thereof shall be deemed as Cash Income of a Share held upon trust under the relevant Trust and shall be applied in accordance with the Award Scheme Rules.

For the purpose of this paragraph 11,

- (a) “Supplementary Guidance” means the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No.072-2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time).

- (b) Upon occurrence of any of the events referred to in the sub-paragraph headed “*Change of control*” and “*Privatisation offer*” in this paragraph 11, subject to compliance with the applicable laws, rules and regulations (including the Listing Rules), the Board shall have the sole and absolute discretion to make any decision regarding the vesting of Awarded Shares, notwithstanding the terms of the relevant Award, including but not limited to:
- (A) when the Awarded Shares (and the Related Distributions, if applicable) shall vest provided that such Vesting Date shall not exceed the original Vesting Date;
 - (B) the extent to which such Awarded Shares (and the Related Distributions, if applicable) may vest, whether to its full extent or in part and whether only to the extent performance targets have been satisfied;
 - (C) the manner in which an Award (and the Related Distributions, if applicable) shall vest, including whether in the form of transfer of Awarded Shares (and the Related Distributions, if applicable) onto the Selected Persons or by way of the relevant Trustee selling the Awarded Shares and transferring the net sale proceeds (and the Related Distributions, if applicable) after deducting all relevant expenses to the Selected Person;
 - (D) whether any performance targets and other performance conditions imposed by the Board must be satisfied as a pre-condition to the vesting of such Awarded Shares;
 - (E) any condition(s) or limitation(s) which is/are to be imposed on the vesting of Awarded Shares;
 - (F) in case an Award may only be vested in part (whether according to the provisions hereof or the determination by the Board) such that only part of the Awarded Shares are to be vested, whether the balance of Awarded Shares shall lapse or continue to be exercisable in accordance with the terms of Award or such other terms as the Board may consider appropriate.
- (c) Upon occurrence of any of the events referred to in the sub-paragraphs headed “*Open offer*”, “*Bonus warrants*”, “*Bonus shares*”, “*Scrip dividend scheme*”, “*Capitalisation of profits or reserves*”, “*Capitalisation issue, rights issue, consolidation, subdivision or reduction of share capital*”, “*Distribution in specie*” and “*Non-cash and non-scrip distribution*”, subject to compliance with the applicable laws, rules and regulations (including the Listing Rules), the Board shall have the sole and absolute discretion to make any decision regarding the dealing of such rights, additional Shares or distribution (whether in the form of cash or Shares) attached to the Awarded Shares, notwithstanding the terms of the relevant Award.

12. Cancellation of Awards granted

The Board in its sole discretion may cancel an Awarded Share granted but remained unvested with the approval of the relevant Selected Person in respect of such Award.

Awards may be granted to a Participant in place of his/her cancelled Awards provided that there are available Scheme Mandate Limit and the Service Provider Sublimit approved by the Shareholders from time to time. The Award Shares cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

13. Nature of the Award

Any Award shall be personal to the Selected Person to whom it is made and shall not be assignable nor transferrable and no Selected Person 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 either the Reference Amount or the Awarded Shares (and/or the Related Distributions, if any) referable to him pursuant to such Award or any of the Returned Shares and/or Further Shares or enter into any agreement so to do save and except for (i) vesting of Awarded Shares on the Personal Representative(s) or its nominee(s) pursuant to the provisions of the Award Scheme Rules; or (ii) situation set out in the sub-paragraph below. The Personal Representative(s) and its nominee(s) to accept the Awarded Shares shall comply with all provisions of the Award Scheme Rules, which shall apply *mutatis mutandis* to such Personal Representative(s) or its nominee(s). For the avoidance of doubt, where the Grantee is a corporate body, any change of its controlling Shareholder or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid, unless the Board shall in its sole and absolute discretion determine otherwise.

Where (i) the Board has expressly consented in writing (which consent may or may not be given by the Board at its absolute discretion), and (ii) the Stock Exchange has given an express waiver, the Selected Person may be allowed to transfer such Awarded Share(s) granted to and held by him to a vehicle (i.e. a Participant Vehicle) (such as a trust or a private company) nominated by such Selected Person for the benefit of the Selected Person and any of his or her family members (e.g. for estate planning or tax planning purposes or such other purposes as the Board and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the 2024 Share Award Scheme and comply with other requirements of the provisions under 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 Selected Person shall provide the Company with information on the beneficiaries or discretionary objects of such trust or the ultimate beneficial owners of such Participant Vehicle, evidence of such trust arrangement between the Selected Person and the proposed Participant Vehicle and such other information as may be required by the Board or the Stock Exchange, and the Selected Person shall also consent to the disclosure of such information in any public disclosure of the Company (including announcement, circular, and/or report to be published by the Company). The Participant Vehicle shall comply with all provisions of the 2024 Share Award Scheme (including this paragraph 13), which shall apply *mutatis mutandis* to the Participant Vehicle.

The Company may, after having reasonably satisfied itself that the Selected Person has committed or attempted to commit a breach of this paragraph 13, forthwith revoke any Award granted to such Selected Person by notice. Such revocation notice shall be final and binding on such Selected Person and the Selected Person shall not be entitled to claim any loss or damages against the Company or any members of the Board for such revocation provided that the Company has acted in good faith.

For the avoidance of doubt,

- (a) a Selected Person shall only have a contingent interest in the Awarded Shares (and, if applicable, the Related Distributions) which are referable to him subject to the vesting of such Awarded Shares (and, if applicable, the Related Distributions) in accordance with the terms and conditions as set out in the Grant Letter, and in no circumstance shall a Selected Person have any contingent interest in any Cash Income derived from the Awarded Shares referable to him other than (if and to the extent applicable) the Related Distributions;
- (b) a Selected Person shall have no rights in the Residual Cash, any of the Returned Shares or the interest, if any, accrued on the Related Distributions;
- (c) no instructions may be given by a Selected Person to the relevant Trustee in respect of the Awarded Shares that have not vested, the Related Distributions and such other properties of the Trust Funds managed by the relevant Trustee; and
- (d) the Trustee (or each of the Trustees if there are more than one Trustee appointed for the 2024 Share Award Scheme) shall not exercise the voting rights in respect of any Shares held by it as nominee or under the Trust (if any) (including but not limited to the Awarded Shares, the Returned Shares and any bonus Shares and scrip Shares derived therefrom), unless otherwise required by law to vote in accordance with the beneficial owner(s)' direction and such a direction is given.

Any Awarded Shares transferred to a Selected Person will be subject to the Company's memorandum of association and Bye-laws any applicable laws, rules and regulations (including the Listing Rules) for the time being in force and shall rank *pari passu* in all respects with the fully-paid shares in issue as at the date of the transfer (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members), and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of transfer (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of transfer.

14. Alteration of the 2024 Share Award Scheme and to the Awards

The 2024 Share Award Scheme may be altered in any respect by the Board except that:

- (a) any alterations to the terms and conditions of the 2024 Share Award Scheme which are of a material nature including the provisions of the 2024 Share Award Scheme as to the definitions of “Participant”, “Employee Participant”, “Related Entity”, “Related Entity Participant”, “Service Provider” and “Selected Person” in Rule 1 must be approved by the Shareholders in general meeting;
- (b) any alterations to the provisions of the 2024 Share Award Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Person or prospective Selected Person must be approved by the Shareholders in general meeting;
- (c) any change to the authority of the Board or the administrators of the 2024 Share Award Scheme to alter the terms of the 2024 Share Award Scheme must be approved by the Shareholders in general meeting; and
- (d) no such alteration shall operate to affect adversely the terms of issue of any Awards granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Persons as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares as if the Awarded Shares constituted a separate class of share capital and as if the provisions under the Bye-laws for the time being of the Company applied *mutatis mutandis* thereto,

Notwithstanding any provisions of the Award Scheme Rules or any terms or conditions stated in the Grant Letter but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Awards granted to a Participant, provided that (i) any such alteration to the terms of Awards granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Awards requires such approval (except where the change takes effect automatically under the existing terms of the 2024 Share Award Scheme); and (ii) any change in the terms of Awards granted to a Participant who is a Director, chief executive or substantial Shareholder, or any of their respective associates, must be approved by Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of Awarded Shares requires such approval (except where such changes take effect automatically under the existing terms of the 2024 Share Award Scheme). For the avoidance of doubt, the requirements for the grant to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Participant is only a proposed Director or chief executive of the Company.

The amended terms of the 2024 Share Award Scheme must comply with the relevant requirements of Chapter 17 of the Listing Rules.

15. Clawback

The Company may exercise the Clawback right in circumstances where it, in the absolute opinion of the Board, may be regarded as inequitable for any Awarded Shares (together with the Related Distribution, if any) to be vested or retained (as the case may be) by any Selected Person, including but not limited to where there has been a material misstatement or omission in the financial reports of the Group or if the relevant Selected Person has committed any fraud or serious misconduct. For the avoidance of doubt, notwithstanding anything else in the Award Scheme Rules, any Awarded Shares (and the Related Distribution, if any) may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.

NOTICE OF SPECIAL GENERAL MEETING



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00336)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of shareholders of Huabao International Holdings Limited (the “Company”) will be held at Room 1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 14 May 2024 at 9:45 a.m. or immediately after the conclusion of the annual general meeting of the Company to be held on the same date at 9:30 a.m. (whichever is later), or any postponement or adjournment thereof, (if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force and/or the Hong Kong Observatory has announced that either of the above mentioned warnings is to be issued, or the extreme conditions as announced by the Government of Hong Kong still exist two hours prior to 9:30 a.m. on 14 May 2024, the provisions contained in Note 7 below shall be applicable) for the following purposes of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) Subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (or such shares as shall result from a capitalisation issue, rights issue, open offer with price-dilutive element as referred to in the Supplementary Guidance (as defined in the circular of the Company dated 18 April 2024, “**Circular**”), subdivision, consolidation or reduction of share capital of the Company from time to time) (the “**Share(s)**”) which may be issued in respect of the share options to be granted under the 2024 Share Option Scheme (as defined in the Circular), a copy of which is tabled at the meeting and marked “A” and initialled by the chairperson of the meeting for identification purpose, the 2024 Share Option Scheme be and is hereby approved and adopted; and any director of the Company and/or his/her delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2024 Share Option Scheme, including but without limitation:
- (i) to administer the 2024 Share Option Scheme under which share options will be granted to the participants under the 2024 Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the 2024 Share Option Scheme;

* for identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

- (ii) to modify and/or amend and/or ratify the 2024 Share Option Scheme from time to time provided that such modification and/or amendment and/or ratification is effected in accordance with the provisions of the 2024 Share Option Scheme relating to the modification and/or amendment and/or ratification and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”);
 - (iii) to grant share options under the 2024 Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the share options to be granted under the 2024 Share Option Scheme and subject to the Listing Rules;
 - (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the share options to be granted under the 2024 Share Option Scheme and subject to the Listing Rules; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2024 Share Option Scheme and subject to the Listing Rules.
- (b) The total number of Shares which may be issued in respect of all share options and share awards to be granted under the 2024 Share Option Scheme and any other share schemes of the Company (“**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.”

2. “**THAT:**

- (a) Subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued in respect of the awarded shares to be granted under the 2024 Share Award Scheme (as defined in the Circular), a copy of which is tabled at the meeting and marked “B” and initialled by the chairperson of the meeting for identification purpose, the 2024 Share Award Scheme be and is hereby approved and adopted; and any director of the Company or his/her delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2024 Share Award Scheme, including but without limitation:

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- (i) to administer the 2024 Share Award Scheme under which awarded shares will be granted to the participants under the 2024 Share Award Scheme to subscribe for Shares, including but not limited to determining and granting the awarded shares in accordance with the terms of the 2024 Share Award Scheme;
 - (ii) to modify and/or amend and/or ratify the 2024 Share Award Scheme from time to time provided that such modification and/or amendment and/or ratification is effected in accordance with the provisions of the 2024 Share Award Scheme relating to the modification and/or amendment and/or ratification and subject to Chapter 17 of the Listing Rules;
 - (iii) to grant awarded shares under the 2024 Share Award Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the awarded shares to be granted under the 2024 Share Award Scheme and subject to the Listing Rules;
 - (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the awarded shares to be granted under the 2024 Share Award Scheme and subject to the Listing Rules; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2024 Share Award Scheme and subject to the Listing Rules.
- (b) The total number of Shares which may be issued in respect of all share options and share awards to be granted under the 2024 Share Award Scheme and any other share schemes of the Company (i.e. the Scheme Mandate Limit) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.”

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3. **“THAT:**

Conditional upon either one or both of resolution no. 1 and resolution no. 2 above being passed, within the Scheme Mandate Limit, the Service Provider Sublimit (as defined in the Circular) on the total number of Shares that may be issued in respect of all share options and share awards to be granted to the Service Providers (as defined in the Circular) under all share schemes of the Company (i.e. 1% of the total number of Shares in issue as at the date of passing of this resolution or the relevant date of approval of the refreshment of the Service Provider Sublimit) be and is hereby approved and adopted, and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

4. **“THAT:**

Conditional upon resolution no. 1 above being passed, the 2016 Share Option Scheme which was adopted by the Company on 9 August 2016 be and is hereby terminated with effect from the adoption of the 2024 Share Option Scheme.”

5. **“THAT:**

Conditional upon resolution no. 2 above being passed, the 2022 Share Award Scheme which was adopted by the Company on 20 May 2022 be and is hereby terminated with effect from the adoption of the 2024 Share Award Scheme.”

By Order of the Board
Huabao International Holdings Limited
POON Chiu Kwok
Executive Director

Hong Kong, 18 April 2024

Notes:

1. A shareholder of the Company (the **“Shareholder(s)”**) entitled to attend and vote at the SGM (or at any postponement or adjournment thereof) is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead in accordance with the bye-laws of the Company. A proxy need not be a Shareholder. Completion and return of the form of proxy will not preclude a member from attending the SGM and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.
2. A form of proxy for use at the SGM is made available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.hbglobal.com/>).
3. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified true copy thereof must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the SGM (or any postponed or adjourned meeting thereof) and in default the form of proxy shall not be treated as valid. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM (or any postponed or adjourned meeting thereof) should they so wish.

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4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of joint holding.
5. In order to determine the entitlement of Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from 9 May 2024 to 14 May 2024, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8 May 2024. Shareholders whose names are recorded in the register of members of the Company on 14 May 2024 are entitled to attend and vote at the SGM.
6. Pursuant to Rule 13.39(4) of the Listing Rules, all resolution(s) set out in this notice will be decided by poll at the SGM.
7. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 7:30 a.m. on 14 May 2024 and/or the Hong Kong Observatory has announced at or before 7:30 a.m. on 14 May 2024 that either of the above mentioned warnings is to be issued within the next two hours or the extreme conditions as announced by the Government of Hong Kong still exist two hours prior to 9:30 a.m. on 14 May 2024, the SGM shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is in force between the hours from 7:30 a.m. to 9:30 a.m. or the extreme conditions as announced by the Government of Hong Kong still exist two hours prior to 9:30 a.m. and in such case the SGM shall be held at 9:45 a.m. on that Business Day at Suite 3008, 30th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. "Business Day", in this context, shall mean a day (not being a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for general banking business.
8. **Every Shareholder or Proxy is recommended to wear surgical facial mask during their attendance of the Meeting; and no refreshment will be served and no gift will be distributed at the Meeting.**

As at the date of this notice, the Board comprises six executive directors, namely Ms. CHU Lam Yiu, Messrs. LAM Ka Yu, XIA Liqun, POON Chiu Kwok, Ms. LAM Ka Yan, and Ms. CHOY Man Har and three independent non-executive directors, namely Mr. LEE Luk Shiu, Mr. Jonathan Jun YAN and Mr. HOU Haitao.