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

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

**If you have sold or transferred** all your shares in Health and Happiness (H&H) International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Health and Happiness (H&H) International Holdings Limited**

**健合 (H&H) 國際控股有限公司**

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

**(Stock Code: 1112)**

**PROPOSALS FOR DECLARATION OF FINAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
PROPOSED ADOPTION OF THE 2024 SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of Health and Happiness (H&H) International Holdings Limited to be held at Suites 3101-3104, 31/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 10 May 2024 at 9:30 a.m. is set out in this circular.

A letter from the Board is set out on pages 6 to 13 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 9:30 a.m. on Wednesday, 8 May 2024) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

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

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## DEFINITIONS

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

“2010 Share Option Scheme”	the share option scheme of the Company approved by the then sole Shareholder on 25 November 2010
“2020 Share Option Scheme”	the share option scheme of the Company approved by the Shareholders at the annual general meeting of the Company held on 8 May 2020
“2022 Share Award Scheme”	the share award scheme of the Company approved by the Board on 11 January 2022
“2024 Scheme”	the share incentive scheme of the Company proposed to be approved at the Annual General Meeting, a summary of the principal terms of which is set out in the Appendix IV to this circular
“2024 Scheme Rules”	the rules relating to the 2024 Scheme as amended from time to time
“Adoption Date”	the date on which the 2024 Scheme is approved by the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at Suites 3101-3104, 31/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 10 May 2024 at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 47 to 53 of this circular, or any adjournment thereof
“Annual Report”	the annual report of the Company, which comprises, inter alia, the Directors’ report, the auditors’ report and the financial statements of the Company for the year ended 31 December 2023
“Articles of Association”	the articles of association of the Company currently in force
“Award”	an award granted under the 2024 Scheme by the Board to a Grantee, which may take the form of a Share Option or a Share Award and which shall be funded by Award Shares

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## DEFINITIONS

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“Award Letter”	a letter issued by the Company on the Grant Date in respect of each grant of Awards in such form as the Scheme Administrator may from time to time determine setting out the terms and conditions of the Award
“Award Shares”	new Shares underlying an Award
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Health and Happiness (H&H) International Holdings Limited 健合 (H&H) 國際控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 30 April 2010, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Culpable Termination”	termination of the employment of an Employee Participant on the grounds that he/she has been guilty of serious misconduct, or there exists grounds allowing his/her summary dismissal under his/her employment contract or under common law, or he/she is unable or has no reasonable prospects of being able to pay his/her debts within the meaning of the Bankruptcy Ordinance (Cap. 6, Laws of Hong Kong) or any other applicable law, or he/she has become otherwise insolvent or has made any arrangement or composition with his/her creditors generally, or he/she has been convicted of any criminal offence involving his/her integrity or honesty;
“Director(s)”	the director(s) of the Company
“Eligible Participant”	an Employee Participant or Related Entity Participant

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## DEFINITIONS

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“Employee Participant”	any person who is a director or employee of any member of the Group on the Grant Date
“Exercise Period”	in respect of any Award, the period during which the Grantee may exercise the Award
“Exercise Price”	in respect of any Share Option, the price per Share at which the Grantee may subscribe for Shares upon the exercise of a Share Option awarded under the 2024 Scheme
“Grant Date”	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award
“Grantee”	any Eligible Participant approved for participation in the 2024 Scheme and who has been granted any Award
“Group”	the Company and its subsidiaries, and each of the Company and its subsidiaries shall be referred to as a “member of the Group”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular
“Issue Price”	in respect of any Share Award, is the price per share a Grantee is required to pay to subscribe for the Shares constituting the Share Award
“Latest Practicable Date”	12 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

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## DEFINITIONS

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“New Articles of Association”	the amended and restated articles of association proposed to be adopted at the Annual General Meeting incorporating and consolidating the Proposed Amendments
“New Chapter 17”	the amended Chapter 17 of the Listing Rules which came into effect on 1 January 2023
“Proposed Amendments”	the proposed amendments to the Articles of Association set out in Appendix III to this circular
“Related Entity Participants”	any person who is a director or employee of a holding company of the Company, a subsidiary of that holding company other than members of the Group, or an associate company of the Company, as further detailed in the Appendix IV to this circular
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Scheme Administrator”	the Board and/or any committee of the Board or other person to whom the Board has delegated its authority to administer the 2024 Scheme in accordance with the 2024 Scheme Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Award”	an award which vests in the form of the right to subscribe for and/or to be issued such number of Award Shares as the Scheme Administrator may determine at the Issue Price in accordance with the terms of the 2024 Scheme Rules
“Shareholder(s)”	holder(s) of Share(s)

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## DEFINITIONS

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“Share Option”	an award which vests in the form of the right to subscribe for such number of Award Shares as the Scheme Administrator may determine during the Exercise Period at the Exercise Price in accordance with the terms of the 2024 Scheme Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“Vesting Date(s)”	the date or dates, as determined from time to time by the Scheme Administrator, on which an Award (or part thereof) is to vest in the relevant Grantee and upon which the Grantee may exercise the Award as determined by the Scheme Administrator pursuant to the 2024 Scheme Rules, unless a different Vesting Date is deemed to occur in accordance with the 2024 Scheme Rules
“%”	per cent

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LETTER FROM THE BOARD

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**Health and Happiness (H&H) International Holdings Limited**

**健合 (H&H) 國際控股有限公司**

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

**(Stock code: 1112)**

*Executive Directors:*

Mr. Luo Fei (*Chairman*)

Mr. Wang Yidong

*Non-executive Directors:*

Mrs. Laetitia Albertini

Dr. Zhang Wenhui

Mr. Luo Yun

Mrs. Mingshu Zhao Wiggins

*Independent Non-executive Directors:*

Mr. Tan Wee Seng

Mrs. Lok Lau Yin Ching

Professor Ding Yuan

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business in*

*Hong Kong:*

Suites 4007-09, 40<sup>th</sup> Floor

One Island East, Taikoo Place

18 Westlands Road, Quarry Bay

Hong Kong

17 April 2024

*To: the Shareholders of the Company*

Dear Sir or Madam,

**PROPOSALS FOR DECLARATION OF FINAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
PROPOSED ADOPTION OF THE 2024 SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to (i) the declaration of final dividend; (ii) the granting to the Directors the Issue Mandate; (iii) the granting to the Directors the Repurchase Mandate; (iv) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (v)



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## LETTER FROM THE BOARD

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the re-election of retiring Directors; (vi) the proposed amendments to the Articles of Association; and (vii) the proposed adoption of the 2024 Scheme.

### DECLARATION OF FINAL DIVIDEND

According to the announcement of the Company dated 26 March 2024, the Board recommended the payment of a final dividend of HK\$0.18 per ordinary Share for the year ended 31 December 2023, to be paid on or about Wednesday, 10 July 2024 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 21 May 2024.

The recommended final dividend of HK\$0.18 per ordinary Share is subject to approval by the Shareholders at the Annual General Meeting. Such dividend will be distributed from the retained profits of the Company.

### GENERAL MANDATES

At the annual general meeting of the Company held on 12 May 2023, general mandates were granted to the Directors to issue and repurchase Shares respectively. Such mandates will lapse at the conclusion of the forthcoming Annual General Meeting. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the forthcoming Annual General Meeting to approve:

- (a) the granting of the Issue Mandate to the Directors to allot, issue and deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular (i.e. a total of 129,112,270 Shares based on 645,561,354 Shares in issue as at the Latest Practicable Date and on the basis that such number of Shares in issue remains unchanged on the date of the Annual General Meeting);
- (b) the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular (i.e. a total of 64,556,135 Shares based on 645,561,354 Shares in issue as at the Latest Practicable Date and on the basis that such number of Shares in issue remains unchanged on the date of the Annual General Meeting); and
- (c) the extension of the Issue Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto.

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## LETTER FROM THE BOARD

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### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

### PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84(1) and 84(2) of the Articles of Association, Mr. Luo Fei and Mr. Wang Yidong, the executive Directors, and Mrs. Lok Lau Yin Ching, the independent non-executive Director (“**INED**”), shall retire at the Annual General Meeting. In addition, Mrs. Mingshu Zhao Wiggins, the non-executive Director who has been appointed by the Board with the effect from 1 January 2024 shall hold office until the first Annual General Meeting after her appointment pursuant to Article 83(3) of the Company’s Articles of Association. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Mrs. Lok Lau Yin Ching has confirmed her independence in respect of Rule 3.13 of the Listing Rules. During her tenure as INED, she does not involve in the daily management of the Company nor in any relationship or circumstances which would materially interfere with her exercise of independent judgement. The Board considered she is independent.

The nomination committee of the Company (the “**Nomination Committee**”) has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s Board Diversity Policy and Director Nomination Policy and the Company’s corporate strategy, and the independence of all INEDs. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid INED who are due to retire at the Annual General Meeting. The Company considers that the retiring INED is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge, and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix II to this circular.

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Detailed information of the proposed amendments of the Articles of Association is set out in Appendix III to this circular. The Board also proposes to the Annual General Meeting to authorize the management of the Company to make relevant arrangements regarding the registration of changes with the relevant industrial and commercial authority and the filing procedures in relation to the proposed amendments of the Articles of Association.

The Company’s legal advisers have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules and the Cayman Islands laws. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

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## LETTER FROM THE BOARD

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The Proposed Amendments to the Articles of Association were prepared in the English language. The Chinese translation is for reference only. In the event of any discrepancy between the English and the Chinese version of the Proposed Amendments to the Articles of Association, the English version shall prevail.

The above resolution is subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting.

### **PROPOSED ADOPTION OF THE 2024 SCHEME**

On 17 April 2024, the Board has resolved to propose the adoption of the 2024 Scheme to be approved and adopted by the Shareholders at the Annual General Meeting. In approving the adoption of the 2024 Scheme, the Board has considered various factors, including: (i) the 2020 Share Option Scheme only permits the Company to issue share options to its participants, but not share awards by way of issuing new Shares; and (ii) the New Chapter 17 rules. The Board proposes to adopt the 2024 Scheme to provide for the potential issuance of both share options and share awards (by way of issuing new shares) in order to broaden the types of equity incentives that the Company can utilise as part of its incentive strategy and also to ensure that the new scheme adopted shall be in compliance with the New Chapter 17 requirements.

The purpose of the 2024 Scheme is to recognize the contributions by certain employees of the Group, to recognize the contributions by certain Eligible Participants and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

The Eligible Participants include the independent non-executive Directors, who the Company intends to incentivise through the Awards to actively participate in the Board and contribute to the success of the Company. The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Awards under the 2024 Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) where the Shares issued and to be issued under all Awards granted to the independent non-executive Directors (excluding Awards lapsed under the 2024 Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 0.1% of the Shares in issue, approval from Shareholders at general meeting (with the grantee, their associates, and all core connected persons of the Company abstaining from the vote) will be required; and (iii) when considering any future grant of Awards to the independent non-executive Directors, the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors. For instance, the Board will assess the terms and conditions of the grant of Awards to the independent non-executive Directors to make sure that it does not contain any performance target or criteria that will impair their independence and impartiality.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there were 645,561,354 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the maximum number of Shares issuable pursuant to the 2024 Scheme and any other schemes of the Company (if any) in aggregate will be 64,556,135 Shares, being 10% of the total number of Shares in issue on the date of approval of the 2024 Scheme.

As at the Latest Practicable Date, (a) no trustee has been appointed to administer and implement the 2024 Scheme; and (b) the Company has no specific intention to grant any Award under the 2024 Scheme.

Operation of the 2024 Scheme is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders at the Annual General Meeting to approve and adopt the 2024 Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in the Shares to be allotted and issued pursuant to the Awards.

The Board has resolved that immediately upon the 2024 Scheme taking effect, the 2020 Share Option Scheme shall terminate and the Company shall not grant any further options under the 2020 Share Option Scheme thereafter, provided that any granted and unexercised options made under the 2020 Share Option Scheme immediately before the termination shall continue to be valid and exercisable in accordance with the terms of the grant and the original rules of the 2020 Share Option Scheme. As at the Latest Practicable Date, an aggregate of 1,957,648 options (pursuant to which a maximum of 1,957,648 Shares may be issued by the Company if fully exercised) remain outstanding under the 2020 Share Option Scheme. The Company has no specific intention to grant any further options under the 2020 Share Option Scheme between the Latest Practicable Date and the effective date of the 2024 Scheme (if adopted).

For completeness, as disclosed in the announcement of the Company dated 11 January 2022, the Company adopted the 2022 Share Award Scheme on 11 January 2022. The 2022 Share Award Scheme shall continue in full force and effect and operate independently from the 2024 Scheme, provided that any awards granted under the 2022 Share Award Scheme shall be satisfied by existing Shares purchased by the trustee of the 2022 Share Award Scheme and not by allotment and issuance of new Shares. In addition, the Company adopted the 2010 Share Option Scheme on 25 November 2010, which was terminated with effect from 8 May 2020 upon the adoption of the 2020 Share Option Scheme. As of the Latest Practicable Date, (i) no new share option under the 2010 Share Option Scheme was available for grant since it had been terminated; and (ii) the total number of Shares available for issue under the 2010 Share Option Scheme, being the number of outstanding share options, amounted to 5,463,515. Save as disclosed in this circular, the Company does not maintain any share scheme that may be subject to allotment and issuance of new Shares.

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## LETTER FROM THE BOARD

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### Explanation of the Terms of the 2024 Scheme

Please see the Appendix IV to this circular for:

- (a) a summary of the principal terms of the 2024 Scheme. This summary serves as an overview of these terms and does not constitute the full reproduction of the terms or a comprehensive list of all the rules under the 2024 Scheme; and
- (b) *in italics and as notes to the summary*, the views of the Directors and remuneration committee to the Board as to the appropriateness and reasonableness of particular terms and how they align with the purpose of the 2024 Scheme.

### Value of Share Options

It is not practicable to state the value of all the Share Options that can be granted pursuant to the 2024 Scheme as if they had been granted on the Latest Practicable Date as a number of factors crucial for the calculation of the value of Share Options cannot be determined. Such factors include the exercise price, exercise period, any vesting period, any performance targets set and any other terms and conditions that the Board may impose with respect to the Share Options. Therefore, at this stage, any calculation of the value of the Share Options as at the Latest Practicable Date based on the large number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### Document on Display

A copy of the 2024 Scheme Rules will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hh.global](http://www.hh.global)) for display for a period of not less than 14 days before the date of the Annual General Meeting and the 2024 Scheme Rules will be made available for inspection at the Annual General Meeting.

### Other Information

None of the Directors shall be a trustee of the 2024 Scheme nor has a direct or indirect interest in any such trustee(s), if any. With respect to the operation of the 2024 Scheme, the Company will, where applicable, comply with the relevant requirements under the New Chapter 17.

### ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Company will convene the Annual General Meeting at Suites 3101-3104, 31/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 10 May 2024 at 9:30 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 9:30 a.m. on Wednesday, 8 May 2024). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the 2024 Scheme and no Shareholder is required to abstain from voting at the Annual General Meeting for approving the 2024 Scheme.

An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **RESPONSIBILITY STATEMENT**

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

### **VOTING BY POLL AT THE ANNUAL GENERAL MEETING**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, all votes of the Shareholders at the general meetings must be taken by poll.

### **RECOMMENDATION**

The Directors consider that the proposed declaration of final dividend, the granting of the Issue Mandate and the Repurchase Mandate to the Directors, the extension of the Issue Mandate, the re-election of retiring Directors, the proposed amendments to the Articles of Association and the proposed adoption of the 2024 Scheme are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of the Annual General Meeting as set out on pages 47 to 53 of this circular.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 7 May 2024 to Friday, 10 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 May 2024.

For determining the entitlement to the proposed final dividend (subject to approval by the Shareholders at the Annual General Meeting), the register of members of the Company will be closed from Friday, 17 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 May 2024.

Shareholders of the Company whose names appear on the register of members on Friday, 10 May 2024 are entitled to attend and vote at the Annual General Meeting or any adjourned meetings, and Shareholders whose names appear on the register of members on Tuesday, 21 May 2024 are entitled to the final dividend.

Yours faithfully,

By Order of the Board

**Health and Happiness (H&H) International Holdings Limited**

**Mr. Luo Fei**

*Chairman*

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

### **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 645,561,354 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 645,561,354 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 64,556,135 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

### **3. REASONS FOR SHARE REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF SHARE REPURCHASE**

The Company is empowered by its Memorandum and Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Companies Act, out of capital of the Company. The amount of premium payable on repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Act, out of capital of the Company. It is envisaged that any repurchase of Shares under the Repurchase Mandate would be financed from the internal resources of the Group, being profits or the proceeds of a new issue of Shares made for such purpose or, subject to the Companies Act, out of capital of the Company.



In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorized share capital would not be reduced.

## **5.      IMPACT OF REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report of the Company for the year ended 31 December 2023) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **6.      DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

## **7.      UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

## **8.      EFFECT OF TAKEOVERS CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, having made all reasonable enquiries, Biostime Pharmaceuticals (China) Limited (“**Biostime Pharmaceuticals**”), being the Controlling Shareholder of the Company, beneficially held 432,000,000 Shares representing approximately 66.92% of the issued share capital of the Company. Biostime Pharmaceuticals is owned as to 57.25% by Coliving Limited, and Coliving Limited is owned as to 100% by Flying Company Limited.

Mr. Luo Fei, the Chairman and an executive Director of the Company, has deemed interests in Biostime Pharmaceuticals through Mr. Luo Fei's Family Trust of which UBS Trustees (BVI) Limited is the trustee which through its nominee UBS Nominees Limited, holds the entire issued share capital of Flying Company Limited. The beneficiaries of Mr. Luo Fei's Family Trust are Mr. Luo Fei and his family members.

Mr. Luo Yun, a non-executive Director of the Company, also has deemed interests in Biostime Pharmaceuticals through Mr. Luo Yun's Family Trust of which UBS Trustees (BVI) Limited is the trustee which through its nominee UBS Nominees Limited. As from 7 April 2022, Sailing Group Limited no longer held shares in Coliving Limited which is deemed to be interested in the Company's shares held by Biostime Pharmaceuticals. Mr. Luo Yun ceased to be interested in the shares as a founder of the relevant trust, but continued to be interested in the same shares in the capacity of a beneficiary of another trust which is indirectly interested in the relevant shares of the Company. The beneficiaries of Mr. Luo Yun's Family Trust are Mr. Luo Yun and his family members.

In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Biostime Pharmaceuticals in the Company would be increased to approximately 74.35% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase of its shares on the Stock Exchange if the result of the repurchase would be less than 25% (or such or prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued share capital would be in public hands. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands. The Company has confirmed that neither this explanatory statement nor the proposed share repurchase has any unusual features.

## **9.      SHARE REPURCHASES BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any Shares (whether on the Stock Exchange or otherwise).

**10. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2023</b>		
April	14.70	12.40
May	13.48	10.32
June	11.20	9.20
July	10.54	9.42
August	10.88	8.68
September	10.36	9.38
October	10.20	8.68
November	11.88	8.83
December	12.70	10.02
<b>2024</b>		
January	12.58	10.06
February	12.40	10.08
March	11.66	10.50
April (up to the Latest Practicable Date)	11.40	9.60

**DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

The biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

**LUO FEI (羅飛), Executive Director**

Mr. Luo Fei (羅飛), aged 60, is the chairman and an executive Director of the Company. Mr. Luo was formerly the Chief Executive Officer of the Company until 18 March 2019. Mr. Luo was appointed as an executive Director on 30 April 2010 and chairman of the Company's Nomination Committee. Mr. Luo is also a director of a variety of subsidiaries of the Company. The major subsidiaries are Health and Happiness (H&H) China Limited\* (健合(中國)有限公司, "**Health and Happiness China**", formerly known as BiosTime, Inc. (Guangzhou)\* (廣州市合生元生物製品有限公司), "**Biostime Guangzhou**"), Biostime (Guangzhou) Health Products Limited\* (合生元(廣州)健康產品有限公司, "**Biostime Health**"), Health and Happiness (H&H) Hong Kong Limited ("**Health and Happiness Hong Kong**", formerly known as Biostime Hong Kong Limited), Swisse Wellness Group Pty Ltd ("**Swisse**"), Health and Happiness France Holding ("**Health and Happiness France**"), Health and Happiness (H&H) Italy S.R.L ("**Health and Happiness Italy**"), Solid Gold Pet, LLC ("**Solid Gold**") and Zesty Paws LLC ("**Zesty Paws**"). Mr. Luo is also a director of the Company's substantial shareholder Biostime Pharmaceuticals (China) Limited ("**Biostime Pharmaceuticals**") with disclosable interests in the shares of the Company under the Provisions of Divisions 2 & 3 of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**"). For further details, please refer to page 71 of the Annual Report. Mr. Luo leads the Board and supervises the Group's strategy, risk management and corporate governance. Mr. Luo has over 20 years of experience in the biotechnology industry. From June 1989 to October 1990, Mr. Luo was employed by Kanghai Enterprise Development Company of Guangzhou Economic and Technological Development Zone\* (廣州經濟技術開發區康海企業發展公司) as an assistant engineer. In February 1993, Mr. Luo established Guangzhou Baixing Bioengineering Co., Ltd.\* (廣州百星生物工程有限有限公司) and acted as its legal representative and general manager. In December 1994, Mr. Luo established Guangzhou Biohope Co., Ltd.\* (廣州市百好博有限公司, "**Guangzhou Biohope**"), a company engaged in the import and distribution of raw materials for personal care products and household cleaning products, and acted as Guangzhou Biohope's legal representative from December 1994 to June 2010, and has been a director of Guangzhou Biohope since December 1994. In August 1999, Mr. Luo established BiosTime, Inc. (Guangzhou) and had served as its general manager until 18 March 2019. Mr. Luo is the chairman of the management committee of the Biostime China Foundation for Mothers and Children. Mr. Luo received a bachelor's degree in microbiological engineering in July 1985 and a master's degree in industrial fermentation in June 1988 from South China University of Technology\* (華南理工大學), formerly known as South China Institute of Technology\* (華南工學院). Mr. Luo has also completed the China Europe International Business School\* (中歐國際工商學院) EMBA program and was awarded a master's degree in business administration in September 2008.

The details of Mr. Luo interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.

Mr. Luo is the younger brother of Mr. Luo Yun, a non-executive Director of the Company. Save as disclosed above, Mr. Luo (i) does not have any relationship with any other Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years, and (iii) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Luo has entered into a service contract as an executive Director with the Company for a specific term of three years, which was automatically renewed after expiration for a term of three years commencing on 17 December 2022, automatically renewable upon expiration, until terminated by not less than three months' notice in writing served by either party on the other or in accordance with the provisions set out in the service contract. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association. According to the resolution of the board meeting, the director's fee for Mr. Luo is increased to RMB800,000 per annum with effective from 1 April 2020, which is determined with reference to his experience, performance and the prevailing market conditions.

Mr. Luo has been informed that the Securities and Futures Commission of Hong Kong (the "SFC") has instituted disclosure proceedings in the Market Misconduct Tribunal of Hong Kong (the "MMT") relating to the Company and himself. It appears to SFC that, in the year 2015, the Company and Mr. Luo, have or may have breached the relevant disclosure requirement within the meaning of sections 307B and 307G (as the case may be) of Part XIVA of the SFO in relation to certain financial information of the Group. Following the substantive hearing of the proceedings held on 25 June 2019, prior to which the Company and the SFC have reached an agreement on the facts, liability and sanctions, the MMT held that the Company and Mr. Luo were in breach of the disclosure requirements under the SFO (Cap. 571). Please refer to the announcements of the Company dated 29 November 2018 and dated 25 June 2019 titled "Announcement" for further details.

Save as disclosed above, there is no other information relating to Mr. Luo that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

#### **WANG YIDONG (王亦東), Executive Director**

Mr. Wang Yidong (王亦東), aged 50, is an executive Director of the Company. Mr. Wang was appointed as an executive Director on 26 March 2018. He joined the Group in May 2016. Mr. Wang is the Chief Financial Officer of the Group and is in charge of the overall financial management, accounting, investor relations and IT activities of the Group. He has over 20 years of experience in financial management, accounting and corporate finance. Prior to joining the Group, Mr. Wang was the Corporate Vice President and Asia Pacific Chief Financial Officer of Henkel AG & Co. KGaA, a German consumer goods giant ("Henkel"), responsible for Henkel's financial management, business and operation controlling as well as M&A-related tasks in 14 countries of Asia Pacific. Before that, he worked at Henkel's headquarters in Germany as Global Director of Business Development and M&A for Adhesive business unit, and also worked as Henkel's Greater China Chief Financial Officer and Asia Pacific Treasurer in preceding years. Mr. Wang had also taken various management and banking roles with LG.Philips, JP Morgan and China's Ministry of Commerce\* (中國商務部) in Hong Kong, New York and Beijing. Mr. Wang holds a Master of Business Administration degree from New York University Stern School of Business and a Bachelor of Arts degree from China Foreign Affairs University\* (中國外交學院).

He completed Global Strategy Management Program at Harvard Business School. He is a member of the American Institute of Certified Public Accountants (the “AICPA”) and a fellow member of the Association of Chartered Certified Accountants (the “ACCA”). He is also a member of ACCA China Expert Forum.

The details of Mr. Wang’s interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company” of the Annual Report.

Save as disclosed above, Mr. Wang (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years, and (iii) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang has entered into a service contract as an executive Director with the Company for an initial term of three years commencing on 26 March 2021, automatically renewable upon expiration, until terminated by not less than three months’ notice in writing served by either party on the other or in accordance with the provisions set out in the service contract. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. According to the resolution of the board meeting, the director’s fee for Mr. Wang is increased to RMB800,000 per annum with effective from 1 April 2020, which is determined with reference to his experience, performance and the prevailing market conditions.

Save as disclosed above, there is no other information relating to Mr. Wang that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

#### **MINGSHU ZHAO WIGGINS, Non-executive Director**

Mrs. Zhao, aged 39, is a non-executive Director of the Company. Mrs. Zhao was appointed as a non-executive Director of the Company on 1 January 2024. Mrs. Zhao graduated with a master’s degree in business administration from Harvard Business School in 2012 and a bachelor’s degree from Emory University in 2006. She is the Co-Founder and Chairwoman of PROVEN Group, Inc., an artificial intelligence and digital technology-enabled personalized cosmetics company she founded in 2017. The Group invested in PROVEN Group, Inc. as a minority shareholder holding initially approximately 13% of its issued shares in 2019. She served as Head of Partnerships of new markets in NerdWallet, Inc. (Nasdaq: NRDS) from 2014 to 2016; as an Investor in Pacific Alternative Asset Management Company from 2011 to 2013; as a Private Equity Investor in Bain Capital from 2008 to 2010; and as a Management Consultant in The Boston Consulting Group from 2006 to 2008.

The Group invested in PROVEN Group, Inc. as a minority shareholder holding initially approximately 13% of its issued shares in 2019. Mrs. Zhao is interested in approximately 16.54% of the issued shares of PROVEN Group, Inc., which is an associated corporation of the Company under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by virtue of the Group’s ownership of approximately 23.51% in its issued shares.

The details of Mrs. Zhao's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.

Save as disclosed above, Mrs. Zhao (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years, and (iii) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mrs. Zhao has entered into an appointment letter ("**NED Appointment Letter**") with the Company for her position as a non-executive Director of the Company commencing from 1 January 2024, which may be terminated by either party furnishing written notice of not less than three months and subject to rotation, retirement and reelection at the annual general meeting pursuant to the articles of association of the Company. The director's fees payable to Mrs. Zhao under the NED Appointment Letter will be RMB800,000 per annum, which was determined with reference to the fees payable by companies of comparable business and scale to non-executive directors.

Saved as disclosed above, there is no other information relating to Mrs. Zhao that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

#### **LOK LAU YIN CHING (駱劉燕清), Independent Non-executive Director**

Mrs. Lok Lau Yin Ching (駱劉燕清), aged 69, is an independent non-executive Director of the Company. Mrs. Lok was appointed as an independent non-executive Director of the Company on 24 March 2020. Mrs. Lok is a strategic Human Resources leader with over 30 years of experience in driving people and business transformation. Mrs. Lok worked for MetLife Asia Limited as the SVP, Regional Head of Human Resource from 2012 to 2019. She partnered with global human resources leaders of MetLife in formulating the global human resources strategies and built a world-class Asia human resources function with a composite of both international and local talents for developing and driving the implementation of business strategies. From 2005 to 2012, she worked for HSBC Insurance (Asia) Limited as the Asia Regional Head of Human Resource. She built and drove human resources strategies to grow the insurance business in Asia within the HSBC Group. Prior to joining HSBC Insurance (Asia) Limited, Mrs. Lok was the Regional Head of Human Resource of AXA Asia from 2000 to 2005. In addition, Mrs. Lok has been active in voluntary services including being the Treasurer with the 10th Tai Po Scout Group for over 20 years. Mrs. Lok holds a Bachelor of Arts degree (Economics & Sociology) from the University of Leeds in the United Kingdom. She is certified in the Woman Directorship program of the University of Hong Kong. She is also a certified Master Neuro-Linguistic Programming Practitioner, a certified Executive Coach as well as a certified Emotional Intelligence Coach & Practitioner.

The details of Mrs. Lok's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.

Save as disclosed above, Mrs. Lok (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years, and (iii) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mrs. Lok has entered into a letter of appointment as an independent non-executive Director with the Company for an initial term of three years commencing from 24 March 2023, automatically renewable upon expiration, until terminated by not less than one month's notice in writing served by either party on the other or in accordance with the provisions set out in the letter of appointment. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mrs. Lok is entitled to a director's fee of RMB800,000 per annum, which is determined with reference to her experience, performance and the prevailing market conditions.

Saved as disclosed above, there is no other information relating to Mrs. Lok that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

#### **NOMINATIONS BY SHAREHOLDERS**

Shareholders are invited to elect up to four Directors at the Annual General Meeting to fill the vacancies available following the retirement of Directors at the Annual General Meeting.

Article 85 of the Company's Articles of Association provides that no person other than a Director retiring at the general meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that such notices must be lodged with the Company at least fourteen (14) days prior to the date of the general meeting of election but no earlier than the day after despatch of the notice of the general meeting appointed for such election.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company at Suites 4007-09, 40<sup>th</sup> Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, or via the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, namely (i) his/her notice of intention to propose a resolution at the Annual General Meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders", and (B) the candidate's written consent to the publication of his/her personal data.



In order to ensure Shareholders have sufficient time to receive and consider the information of the nominated candidate(s), Shareholders are urged to submit their proposals as early as practicable, **preferably no later than 5:00 p.m. on Monday, 22 April 2024** so that an announcement can be issued on or about Monday, 22 April 2024 and a supplemental circular containing information of the candidate(s) proposed by the Shareholders can be dispatched to Shareholders as soon as practicable on or about Wednesday, 24 April 2024.

#### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, in addition to the above described notice of intention to propose a candidate for election by a Shareholder, the Shareholder or the nominated candidate should provide the following information of the nominated candidate:

- (a) full name and age;
- (b) positions held with the Company and/or other members of the Group (if any);
- (c) experience including (i) other directorships held in the past 3 years in public companies of which the securities are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with the Company;
- (f) relationships with any Directors, senior management, substantial shareholders or Controlling Shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- (g) interests in Shares of the Company within the meaning of Part XV of the SFO, or an appropriate negative statement;
- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution, as set out under "Resolutions and Voting" below, at the Annual General Meeting.

**RESOLUTIONS AND VOTING**

In order to comply with code provision F.2.1 of the Corporate Governance Code contained in Appendix C1 (previously known as Appendix 14) to the Listing Rules, there must be a separate resolution for the appointment of each candidate as a Director.

There will be four Director vacancies to be filled at the Annual General Meeting following the retirement of Directors at the Annual General Meeting. If there are more than four candidates standing for election at the Annual General Meeting, each resolution proposing that a candidate be appointed as a Director will provide for a method to determine which four candidates shall be elected as Directors as follows:

**“THAT** subject to the number of net votes cast in relation to this resolution (net votes being votes cast in favour minus votes cast against this resolution) being among the four highest numbers of net votes cast on each of the resolutions for the appointment of a person as a Director of the Company at the Annual General Meeting to be held on 10 May 2024 or on the date of its adjournment (where applicable) (the **“2024 Annual General Meeting”**), name of candidate be and is hereby appointed as a Director of the Company with effect from the conclusion of the 2024 Annual General Meeting, provided that if any four or more of such resolutions record the same number of net votes (the **“Tied Resolutions”**), the ranking of the Tied Resolutions from highest to lowest number of net votes shall be determined by the drawing of lots by the chairman of the Meeting.”

**If a resolution is passed (i.e., it has been carried by the majority of the votes cast on it), the candidate who is the subject of that resolution will be eligible to be elected a Director. On the other hand, if a resolution is not passed, the candidate who is the subject of that resolution will not be eligible to be elected a Director. If there are less than three resolutions passed by the majority of the votes cast, the Board may, pursuant to Article 83 of the Articles of Association, appoint any person to fill the relevant vacancy or vacancies (as the case may be).**

**Assuming a resolution is passed by the majority of the votes cast on it, the candidate who is the subject of that resolution will be elected to one of the three positions on the Board if the net votes cast in favour of his/her resolution is among within the top three resolutions passed in terms of net votes cast. Net votes cast are calculated by taking the votes cast in favour of a resolution and subtracting the votes cast against that resolution. In the event there is a tie in the net votes for two or more resolutions, the ranking of the Tied Resolutions from highest to lowest number of net votes cast shall be determined by the drawing of lots by the chairman of the meeting.**

**Therefore, if you wish to support a particular candidate, you should vote in favour of his/her resolution. If you do not wish to support a candidate, you may vote against his/her resolution or abstain from voting. If you abstain from voting, you should note that your votes will not be counted when calculating the net votes cast in respect of the resolution for such candidate that you do not wish to support.**

The Proposed Amendments are for purposes of conforming to the amendments to the Listing Rules effective from 31 December 2023, and pursuant to the consultation conclusions of the “Consultation Paper on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by Stock Exchange in June 2023, specifically in respect of the provisions which (i) mandate that listed issuers must disseminate corporate communications to their securities holders electronically to the extent permitted under their applicable laws and regulations; (ii) remove, from the Listing Rules, the provisions on the arrangements a listed issuer must make to avail itself of the current consent mechanism for disseminating corporate communications electronically; and (iii) require a listed issuer to send “actionable corporate communications” to securities holders individually and in electronic form if functional electronic contact details have been provided to the issuer.

Details of the Proposed Amendments are as follows:

	Existing Articles	Proposed Articles Amendments
1.	<p><b>Article 151</b></p> <p>The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.</p>	<p><b>Article 151</b></p> <p>The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), <del>and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.</del></p>

	Existing Articles	Proposed Articles Amendments
2.	<p><b>Article 158 (1)</b></p> <p>158. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:</p> <p><b>Article 158(1)(e)</b></p> <p>(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 161(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;</p> <p><b>Article 158(1)(f)</b></p> <p>(f) by publishing it on the Company’s website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); or</p>	<p><b>Article 158 (1)</b></p> <p>158. (1) Any Notice or document (including any “corporate communication” <u>and “actionable communication”</u> within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:</p> <p><b>Article 158(1)(e)</b></p> <p>(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article <del>158(4)161(5)</del>, subject to the Company <del>complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;</del></p> <p><b>Article 158(1)(f)</b></p> <p>(f) by publishing it on the Company’s website to which the relevant person may have access <u>or the website of the Designated Stock Exchange</u>, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or <u>implied or deemed consent</u>) from such person <del>and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); or</del></p>

	Existing Articles	Proposed Articles Amendments
	<p><b>Article 158(2) to (6)</b></p> <p>(2) The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website.</p> <p>(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> <p>(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</p> <p>(5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.</p> <p>(6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 152, 153 and 161 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.</p>	<p><b>Article 158(2) to (6)</b></p> <p><del>(2) The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website.</del></p> <p><del>(3)</del><u>(2)</u> In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> <p><del>(4)</del><u>(3)</u> Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</p> <p><del>(5)</del><u>(4)</u> Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.</p> <p><del>(6)</del><u>(5)</u> Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 152, 153 and 161 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.</p>

	Existing Articles	Proposed Articles Amendments
3.	<p><b>Article 159(b)</b></p> <p>“if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;”</p>	<p><b>Article 159(b)</b></p> <p>“if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. <del>A Notice placed on the Company’s website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;”</del></p>
4.	<p><b>Article 159 (c)</b></p> <p>(c) if published on the Company’s website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company’s website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;</p>	<p><b>Article 159 (c)</b></p> <p>(c) if <u>placed or published</u> on the Company’s website <u>or the website of the Designated Stock Exchange</u>, shall be deemed to have been <u>given or served</u> on the day on which the notice, document or publication first so appears on the <u>Company’s relevant website</u>, <u>unless the Listing Rules specify a different date</u>. In such cases, <u>the deemed date of service shall be as provided or otherwise required by the Listing Rules to which the relevant person may have access</u> <del>or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;</del></p>

*The following is a summary of the principal terms of the 2024 Scheme Rules to be considered and approved by Shareholders at the Annual General Meeting. It does not form part of, nor is it intended to be part of, the 2024 Scheme Rules.*

<b>Purpose</b>	The purpose of this scheme is to provide the Company with a flexible means of, attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants through aligning the interests of Eligible Participants with those of the Company and Shareholders by providing them with an opportunity to acquire proprietary interests in the Company and become Shareholders, and thereby, encouraging Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.
<b>Awards</b>	Awards may take the form of a Share Option or a Share Award, which shall be funded by Shares.
<b>Scheme Administration</b>	The 2024 Scheme shall be administered by the Scheme Administrator, being either the Board and/or any committee of the Board or other person to whom the Board has delegated its authority to administer this scheme.
<b>Eligible Participants</b>	<p>Eligible Participants are determined by the Scheme Administrator from time to time to be eligible to participate as grantees under this scheme, and shall fall under one or more of the below categories:</p> <ul style="list-style-type: none"><li>(a) Employee Participant, being a director or employee of any member of the Group on the Grant Date.</li><li>(b) Related Entity Participant, being a director or employee of the following: a “holding company” of the Company (as defined in the SFO); a “subsidiary” of a holding company of the Company (as defined in the SFO) other than members of the Group; or an “associate” of the Company (as defined in the Listing Rules).</li></ul>

*Note:*

*The Directors (including the independent non-executive Directors) consider the proposed categories of Related Entity Participant to be in line with industry norms and that the proposed scope for “Eligible Participants” (including the selection of Eligible Participants) to be appropriate and aligns with the purpose of this scheme. In particular:*

- (a) *Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group’s business, reputation, operations and performance; and*

- (b) *the relevant scope is consistent with scope of grantees approved by the Company under past share schemes, as well as, to the best knowledge of the Directors, the practices of peer companies that operate in similar or comparable industries to that of the Group or other companies listed in Hong Kong and their remuneration or compensation packages, and accordingly, the Directors (including the independent non-executive Directors) consider it appropriate to enhance the long-term relationship with these Eligible Participants by aligning their interests with that of the Company and Shareholders. Based on the above, the Directors (including the independent non-executive Directors) believe that the proposed scope for “Eligible Participants” is in line with the purpose of the 2024 Scheme.*

**Scheme  
Mandate  
Limit**

***Scheme Mandate Limit***

The total number of Shares that may be issued pursuant to all Awards to be granted under this 2024 Scheme and awards to be granted under any other share schemes of the Company that are funded by the issuance of new Shares is (the “**Scheme Mandate Limit**”):

- (a) initially set at 10% of the Shares in issue as at the Adoption Date, being 64,556,135 Shares (assuming that there are no changes to the Company’s issued share capital between the date of this circular and the Annual General Meeting); and
- (b) may be subsequently refreshed in accordance with the 2024 Scheme Rules and the Listing Rules, as further approved by Shareholders at general meeting.

*Note:*

*For the avoidance of doubt, (i) the 2022 Share Award Scheme is not subject to the Scheme Mandate Limit because any awards granted under the 2022 Share Award Scheme shall be satisfied by existing Shares purchased by the trustee of the 2022 Share Award Scheme and not by allotment and issuance of new Shares; and (ii) new Shares that may be issued to satisfy the outstanding share options under the 2010 Share Option Scheme is subject to the Scheme Mandate Limit.*

Awards that have lapsed in accordance with the terms of the 2024 Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

Awards that have been cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.



***Refreshing the scheme limit***

The Company may refresh the Scheme Mandate Limit, as currently in place from time to time, with the approval of Shareholders at general meeting and in accordance with the New Chapter 17 (namely, Listing Rule 17.03C).

Any “refreshment” within any three-year period, to the extent required by the Listing Rules, shall be approved by Shareholders and subject to the following:

- (a) any controlling shareholder 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 will comply with applicable Listing Rules in relation to such refreshment, including Listing Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 (relating to, among others, special requirements for general meetings in respect of transactions that are subject to independent Shareholders’ approval and abstentions from voting).

***Maximum entitlement of each Eligible Participant***

There is no specific maximum entitlement for each Eligible Participant under the 2024 Scheme. Grants to individuals that exceed the thresholds set out in the New Chapter 17 will be subject to additional approval requirements as required under the New Chapter 17.

***Further approval requirements***

Any grant of Awards to a Director or chief executive of the Company requires prior approval from the remuneration committee of the Board (excluding any member who is the proposed grantee) and any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates requires prior approval from the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee).

Additionally, grant of Awards to any individual Eligible Participant may be subject to further approval requirements (namely, further approval by Shareholders and/or approval by the remuneration committee to the Board and independent Directors), as required and in accordance with New Chapter 17, and namely, Listing Rules 17.03D and 17.04, and includes:

Grantee	Threshold triggering additional approval	Additional approval
(a) Independent Non-executive Director, substantial shareholder of the Company, or their respective associates	Where the Shares issued and to be issued under all Awards granted to the individual grantee (excluding Awards lapsed under the 2024 Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 0.1% of the Shares in issue.	Requires approval from Shareholders at general meeting (with the grantee, their associates, and all core connected persons of the Company abstaining from the vote, and Listing Rules must be complied with).
(b) Other Directors, chief executive of the Company, or their respective associates	Where the Shares issued and to be issued under all Share Awards (not Share Options) granted to the individual grantee (excluding Share Awards lapsed under the 2024 Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 0.1% of the Shares in issue.	Requires approval from Shareholders at general meeting (with the grantee, their associates, and all core connected persons of the Company abstaining from the vote, and Listing Rules must be complied with).
(c) All Eligible Participants	Where the Shares issued and to be issued under all Awards granted to the individual grantee (excluding Awards lapsed under the 2024 Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 1% of the Shares in issue.	Requires approval from Shareholders at general meeting (with the grantee, and their close associates, or where the grantee is a connected person, their associates abstaining from the vote, and Listing Rules must be complied with).

**Acceptance** The Scheme Administrator may determine in its absolute discretion the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the Award Letter. Unless otherwise specified in the Award Letter, the Grantee shall have 28 days from the Grant Date to accept the Award, following which, the portion not accepted by the grantee shall automatically lapse.

**Issue price and Exercise Price** The Scheme Administrator may determine in its absolute discretion the Issue Price for the exercise of Share Awards and/or the Exercise Price for Share Options for Awards in the form of Share Awards and/or Share Option (as the case may be) and such prices shall be set out in the Award Letter.

- (a) However, the Exercise Price for Share Options shall be no less than the higher of: (i) the closing price of the Shares on the Grant Date; and (ii) the average closing price of the Shares for the five Business Days immediately preceding the Grant Date.
- (b) The Issue Price shall be determined on an individual basis for each of the Grantee by the Scheme Administrator, taking into account the purpose of the 2024 Scheme, the interests of the Company and the individual circumstances of each Grantee.

*Note:*

*The above flexibility allows the Company to control the costs incurred by the Company from the grant of Awards under the 2024 Scheme by correlating the Exercise Price for Share Options with prevailing market prices at the time of grant (particularly considering that timing of when the Share Options will be exercised are within the discretion of the grantee and is typically made with reference to the difference between Exercise Price and prevailing market prices at the time of exercise) and the Company reserving the discretion to determine the Issue Price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such grantee, which is aligned with the purpose of the 2024 Scheme (particularly considering that Share Awards typically do not involve the same degree of exercise procedure and discretion on the part of the grantee as with Share Options).*

**Ranking of Shares** The Shares to be allotted or transferred upon the vesting of an Award will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the Vesting Date or, if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Vesting Date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Vesting Date.

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

**Vesting Period** The Scheme Administrator may determine the vesting period and specify such period in the Award Letter. The vesting period may not be for a period less than 12 months from the grant date, except in limited circumstances set out in the 2024 Scheme Rules. These circumstances may only apply to Employee Participants and are consistent with the scenarios contemplated in FAQ 092-2022 issued by the Stock Exchange, including where:

- (a) grants of “make whole” Awards to a new Employee Participant to replace the awards that the Employee Participant forfeited when leaving their previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Awards that are subject to the fulfilment of performance targets as determined in the conditions of the grantee’s grant;
- (d) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take into account of the time from which the Award would have been granted if not for such administrative or compliance requirements;
- (e) grants of Awards with a mixed vesting schedule such that the Award vests evenly or on an accelerated schedule over a period of 12 months; or
- (f) grants of Awards with a total vesting and holding period of more than 12 months.

*Note:*

*The Directors and the remuneration committee to the Board are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply), as detailed above, enables the Company to offer competitive remuneration and reward packages to Employee Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group’s industry. Accordingly, the above vesting period is considered appropriate and in alignment with the purpose of the 2024 Scheme.*

**Performance Targets**

The Scheme Administrator may set performance criteria/targets in the Award Letter in respect of Awards granted on a case-by-case basis. The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Related Entity Participant. The following general factors will be taken into account when deciding the performance targets to be attached to an Award, including but not limited to (i) the financial results, operation performance, business growth or other indicators of the Group (or any of its segments) or the relevant Related Entity Participant; and (ii) the contribution, work performance as well as other specific personal factors of the individual Grantee that the Scheme Administrator may consider relevant. The performance targets will be assessed periodically, on an absolute basis or a relative basis (such as relative to a pre-established target, to previous year's results or to a designated comparison group), in each case as specified by the Scheme Administrator in its sole discretion.

*Note:*

*The Directors consider that it is not practicable to expressly set out a generic set of performance targets in the 2024 Scheme, since each Grantee has a different position/role with respect to the Group and will contribute differently to the Group in both nature, duration and significance. The Scheme Administrator will have regard to the purpose of the 2024 Scheme in making such determinations, with performance targets generally being in line with common key performance indicators in the industry of the Group, such as quantitative performance targets to be achieved, the Grantee's background/experience, qualitative contributions made or potentially to be made to the Group, and broader audit result trends, subject to amendments or adjustments as the Scheme Administrator deem appropriate.*

**Voting and Dividend Rights**

Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are delivered to the Grantee pursuant to the vesting and/or exercise of such Award.

**Clawback**

Where certain events specified in the 2024 Scheme Rules arises, the Board may determine that, with respect to a Grantee, Awards granted but not yet exercised shall immediately lapse, and with respect to any Shares delivered or amount paid to the Grantee, the Grantee be required to transfer the same value, whether in Shares and/or cash, back to the Company (or its nominee). These circumstances are:

- (a) the Grantee ceasing to be an Eligible Participant by reason of termination for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty;

- (b) the Grantee commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or
- (c) the Award to the Grantee will no longer be appropriate and aligned with the purpose of the 2024 Scheme.

*Note:*

*The Directors are of the view that the above clawback mechanism enables the Company to clawback awards (or the award shares underlying such awards) received by those Grantees that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or the Shareholders' best interests to incentivise them with proprietary interests of the Company under the 2024 Scheme, nor would the Company consider such Grantees benefiting under the 2024 Scheme to be in alignment with the purpose of this scheme. As such, the Company considers this clawback mechanism appropriate and reasonable.*

### **Exercise of Option**

For any Award which takes the form of Share Option(s), subject to the 2024 Scheme Rules, the terms and conditions upon which the Share Option(s) were granted and compliance with the Listing Rules, unless cancelled or lapsed pursuant to the 2024 Scheme Rules, such Share Option(s) may be exercised by the Grantee at any time during the Exercise Period, provided that:

- (a) in the event that the Grantee dies or becomes permanently disabled before exercising a Share Option (or exercising it in full) and none of the events for termination of employment or engagement under the item (e) below in this paragraph exists with respect to such Grantee, he/she (or his/her legal representative(s)) may exercise the Share Option(s) up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his/her death or permanent disability or such longer period as the Board may determine;
- (b) in the event that the Grantee ceases to be an Employee Participant by reason of his/her retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under the item (e) below in this paragraph exists with respect to such Grantee, his/her Share Option(s) (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his/her retirement until the expiry of the relevant Exercise Period;
- (c) in the event that the Grantee ceases to be an Employee Participant by reason of his/her transfer of employment to a Related Entity, the Share Option(s) (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined;

- (d) in the event that the Grantee ceases to be an Employee Participant for any reason (including his/her employing company ceasing to be a member of the Group) other than his/her death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his/her employment to a Related Entity or the termination of his/her employment with the relevant member of the Group by resignation or Culpable Termination, the Share Option(s) (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Employee Participant by reason of the termination of his/her employment by resignation or Culpable Termination, the Share Option(s) (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his/her employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Share Option(s) have lapsed pursuant to this item (e) shall be final and conclusive;
- (f) if a Grantee being:
  - (i) an executive Director ceases to be an executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group but remains a non-executive Director, the Share Option(s) (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

- (ii) a non-executive Director ceases to be a Director:
  - (1) by reason of retirement through notifying the Company that he is not offering himself/herself for re-election at the Company's annual general meeting pursuant to the Articles of Association, the Share Option(s) (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his/her retirement until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
  - (2) for reasons other than the retirement under the item (f)(ii)(1) in this paragraph, the Share Option(s) (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
  
- (g) if:
  - (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Participant; or
  - (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Share Option(s) or which were the basis on which the Share Option(s) was granted,

the Share Option(s) (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Share Option(s) or which were the basis on which the Share Option(s) was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this item (g) shall be final and conclusive;



- (h) if a Grantee:
  - (i) is unable or has no reasonable prospects of being able to pay his/her debts within the meaning of the Bankruptcy Ordinance (Cap. 6, Laws of Hong Kong) or any other applicable law or has otherwise become insolvent; or
  - (ii) has made any arrangement or composition with his/her creditors generally; or
  - (iii) has been convicted of any criminal offence involving his/her integrity or honesty; or
  - (iv) commits a breach of any contract entered into between the Grantee or his/her associate and any member of the Group,

the Share Option(s) (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his/her debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his/her creditors or on the date of his/her conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Share Option(s) (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in (i) to (iv) of this item (h) within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Share Option(s) has lapsed pursuant to this item (h) for breach of contract as aforesaid shall be final and conclusive;

- (i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Share Option(s) (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;

- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Share Option(s) unexercised at the same time as it dispatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his/her legal representatives or receiver) may until the expiry of the earlier of:
- (i) the Exercise Period;
  - (ii) the period of two months from the date of such notice; or
  - (iii) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his/her Share Option(s). Except insofar as exercised in accordance with this item (j), all Share Option(s) outstanding at the expiry of the relevant period referred to in this item (j) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Share Option(s) to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (k) 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 dispatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Share Option(s) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

**Lapse of Awards** An Award shall lapse automatically and not be exercisable (to the extent not already exercised) upon the earliest of:

- (a) the expiry of any applicable Exercise Period;
- (b) the clawback mechanism being triggered;
- (c) the expiry of any of the periods for accepting or exercising such Award;
- (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her debts;
- (e) a bankruptcy order has been made against any director or shareholder of the Grantee in any jurisdiction;
- (f) the Grantee breaching the rule against transferring such Award; or
- (g) the Grantee forfeiting such Award.

**Cancellation of Awards** Any Awards granted but not exercised may be cancelled by the Scheme Administrator at any time with the prior consent of the Grantee.

Where the Company cancels an Award granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made if there are unissued Awards available under the Scheme Mandate (excluding the Awards of the relevant Grantee cancelled pursuant to the 2024 Scheme Rules) and in compliance with the terms of the 2024 Scheme.

**Term of Plan** 10 years commencing on the Adoption Date unless terminated earlier.

<b>Amendment</b>	<p>The Scheme Administrator may amend the 2024 Scheme or an Award granted under the 2024 Scheme, provided that:</p> <ul style="list-style-type: none"><li>(a) the amendment must comply with the New Chapter 17 (as amended and supplemented from time to time);</li><li>(b) Shareholders' approval at general meeting is required for the following:<ul style="list-style-type: none"><li>(i) any amendment or alteration to the terms and conditions of the 2024 Scheme that is of a material nature or any amendment or alteration to those provisions that relate to the matters set out in Listing Rule 17.03 to the advantage of Eligible Participants; and (ii) any change to the authority of the Board or the Scheme Administrator to alter the terms of the 2024 Scheme; and</li></ul></li><li>(c) any amendment or alteration to the terms of an Award the grant of which was subject to the approval of a particular body shall be subject to approval by such body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the 2024 Scheme.</li></ul>
<b>Termination</b>	<p>The 2024 Scheme shall terminate on the earlier of: (a) the 10th anniversary of the Adoption Date; and (b) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights in respect of the Awards already granted to any Grantee.</p>
<b>Restrictions on Transferability</b>	<p>Awards are personal to the Grantee and shall not be assignable or transferrable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange. According to the note to Listing Rule 17.03(17), the Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the relevant share scheme and comply with other requirements of Chapter 17 of the Listing Rules. Following such transfer, the transferee shall be bound by the 2024 Scheme Rules and the relevant Award Letter as if the transferee was the Grantee.</p>
<b>Restrictions on Granting of Awards</b>	<p>No Award shall be granted to any Eligible Participant:</p> <ul style="list-style-type: none"><li>(a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules) or by any other applicable rules, regulations or law;</li></ul>

- (b) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced;
- (c) during the periods commencing one month immediately before the earlier of the date of the board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period, and the deadline for the Company to announce such results, and ending on (and including) the date of publication of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;
- (d) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (e) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time;
- (f) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (g) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (h) where such Award is to a connected person and under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained,

and any such grant so made (or made without being subject to the necessary conditions contemplated above) shall be null and void to the extent (and only to the extent) that it falls within the circumstances described above.

**Alternations in  
Share Capital  
or Corporate  
Transactions**

If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, subject to compliance with the Listing Rules, the Scheme Administrator shall at its sole discretion determine whether the Vesting Dates of any Awards will be accelerated and/or the vesting conditions or criteria of any Awards will be amended or waived, and notify the Grantees accordingly.

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of the share capital of the Company (other than as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Scheme Administrator shall make such corresponding adjustments, if any, as the Scheme Administrator in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares comprising the Scheme Mandate Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit as a percentage of the total issued Shares at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of Shares comprised in each Award to the extent any Award has not been exercised; and
- (c) the Exercise Price of any Share Option or Issue Price of any Share Award,

or any combination thereof, as the auditors or a financial adviser engaged by the Company for such purpose have certified to the Directors in writing that the adjustments satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that: (i) such adjustment should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

To the extent not otherwise determined by the Scheme Administrator in accordance with the above and the requirements of the Listing Rules, the specific adjustment formulae to be applied to the Awards in the event of capitalisation issue, rights issue, share consolidation, share subdivision and reduction of share capital are respectively set out below:

**Capitalisation  
Issue**

*Adjustment of number of Award Shares underlying outstanding Awards*

$$Q = Q0 \times (1 + n)$$

Where: Q0 represents the number of outstanding Award Shares prior to adjustment; n represents the rate of increase per Share resulting from the capitalisation issue; Q represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

$$P = P0 \div (1 + n)$$

Where: P0 represents the Exercise Price or Issue Price before the adjustment; n represents the rate of increase per Share resulting from the capitalisation issue; P represents the Exercise Price or Issue Price after the adjustment.

**Rights Issue**

*Adjustment of number of Award Shares underlying outstanding Awards*

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: Q0 represents the number of outstanding Award Shares prior to adjustment; P1 represents the closing price of Shares on the record date; P2 represents the subscription price of the rights issue of Shares; n represents the ratio of the rights issue allotment; Q represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: P0 represents the Exercise Price or Issue Price before the adjustment; P1 represents the closing price as at the record date; P2 represents the subscription price of the rights issue of Shares; n represents the ratio of allotment; P represents the Exercise Price or Issue Price after the adjustment.

**Share Consolidation, Share Subdivision or Reduction of Share Capital**      *Adjustment of number of Award Shares underlying outstanding Awards*

$Q = Q0 \times n$

Where: Q0 represents the number of outstanding Award Shares prior to adjustment; n represents the ratio of share consolidation, share subdivision or reduction of share capital; Q represents the number of outstanding Award Shares after adjustment.

*Adjustment of Exercise Price or Issue Price of outstanding Awards*

$P = P0 \div n$  Where: P0 represents the Exercise Price or Issue Price before the adjustment; n represents the ratio of share consolidation, share subdivision or reduction of share capital; P represents the Exercise Price or Issue Price after the adjustment.



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NOTICE OF ANNUAL GENERAL MEETING

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**Health and Happiness (H&H) International Holdings Limited**  
**健合 (H&H) 國際控股有限公司**

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

**(Stock Code: 1112)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Health and Happiness (H&H) International Holdings Limited (the “**Company**”) will be held at Suites 3101-3104, 31/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 10 May 2024 at 9:30 a.m. (the “**Annual General Meeting**”) for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and auditors for the year ended 31 December 2023.
2. To declare a final dividend equivalent to HK\$0.18 per ordinary share for the year ended 31 December 2023 to the shareholders of the Company which shall be distributed from the retained profits of the Company.
3. a.
  - (i) To re-elect Mr. Luo Fei as an executive Director of the Company;
  - (ii) To re-elect Mr. Wang Yidong as an executive Director of the Company;
  - (iii) To re-elect Mrs. Mingshu Zhao Wiggins as a non-executive Director of the Company; and
  - (iv) To re-elect Mrs. Lok Lau Yin Ching as an independent non-executive Director of the Company.
- b. To authorize the board of Directors (the “**Board**”) of the Company to fix the remuneration of the Directors of the Company.
4. To re-appoint Ernst & Young as auditors and to authorize the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in the resolution set out in item 6 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the share incentive scheme, named as the 2024 Scheme (the “**2024 Scheme**”) proposed by the Board, a copy of which is produced to this meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, with the Scheme Mandate Limit (as defined in the 2024 Scheme) of 10% of the total issued and outstanding Shares as at the date of the Shareholders’ approval of the 2024 Scheme, be and is hereby approved and adopted, and the Scheme Administrator (as defined in the 2024 Scheme) be and is hereby authorised to grant the awards (“**Awards**”), and do all such acts and execute all such documents as the Scheme Administrator may consider necessary or expedient in order to give full effect to the 2024 Scheme.”

### SPECIAL RESOLUTION

9. To consider and, if thought fit, pass with or without amendments, the following resolutions as a special resolution:

“**THAT:**

- (a) the existing articles of association of the Company (the “**Articles**”) be and are hereby amended as follows:
- (i) Article 151 be amended by deleting the following words at the end of the Article “, and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents”.
  - (ii) Article 158(1) be amended by adding the words “and “actionable corporate communication”” after the words “corporate communication”.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) Article 158 (1)(e) be amended by changing the cross reference from Article 161(5) to Article 158(4) and deleting the words “, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person”.
  
- (iv) Article 158(1)(f) be amended by deleting it in its entirety and replacing it with the following:
  - “(f) by publishing it on the Company’s website to which the relevant person may have access or the website of the Designated Stock Exchange, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or implied or deemed consent) from such person; or”.
  
- (v) Article 158(2) be deleted in its entirety and Articles 158(3) to Article 158(6) be re-numbered accordingly as Articles 158(2) to Article 158(5).
  
- (vi) Article 159(b) be amended by deletion of the second sentence.
  
- (vii) Article 159(c) be deleted in its entirety and replaced with the following:
  - “(c) if placed or published on either the Company’s website or the website of the Designated Stock Exchange, shall be deemed to have been given or served on the day on which the notice, document or publication first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or otherwise required by the Listing Rules;”.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the amended and restated Articles in the form produced to the meeting, a copy of which has been produced to the meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification, which consolidates all the proposed amendments set out in resolution 9(a), be approved and adopted in substitution for and to the exclusion of the existing Articles with immediate effect after the close of the meeting and that any one of the Directors or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the adoption of the third amended and restated Articles.”

By Order of the Board  
**Health and Happiness (H&H) International Holdings Limited**  
**Mr. Luo Fei**  
*Chairman*

Hong Kong, 17 April 2024

*Notes:*

1. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Article 66 of the Articles of Association of the Company, all the resolutions set out in the notice of Annual General Meeting will be voted by poll and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company. On a poll, votes may be given either personally or by proxy.
2. A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 9:30 a.m. on Wednesday, 8 May 2024). The proxy form will be published on the website of The Stock Exchange of Hong Kong Limited.
5. There will be four Director vacancies to be filled at the meeting following the retirement of Directors at the Annual General Meeting. If a shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company at Suites 4007-09, 40<sup>th</sup> Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, or via the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, namely (i) his/her notice of intention to propose a resolution at the Annual General Meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out under the section headed “Required information of the candidate(s) nominated by Shareholders” in Appendix II “Re-election of Retiring Directors” of the circular of the Company dated 17 April 2024, and (B) the candidate’s written consent to the publication of his/her personal data.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 7 May 2024 to Friday, 10 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 May 2024.
7. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the register of members of the Company will be closed from Friday, 17 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 May 2024.
8. Shareholders of the Company whose names appear on the register of members on Friday, 10 May 2024 are entitled to attend and vote at the Annual General Meeting or any adjourned meetings, and shareholders whose names appear on the register of members on Tuesday, 21 May 2024 are entitled to the final dividend.
9. References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the executive Directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive Directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui, Mr. Luo Yun and Mrs. Mingshu Zhao Wiggins; and the independent non-executive Directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.*