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

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

**If you have sold or transferred** all your shares in **Raymond Industrial Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

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A notice of the extraordinary general meeting (the “**EGM**”) of Raymond Industrial Limited (the “**Company**”) to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 11:00 a.m on 7 November 2024 (Thursday) is set out on pages 26 to 27 of this circular.

A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at Rooms 1806-1813, 18th Floor, Grandtech Centre, 8 On Ping Street, Shatin, New Territories, as soon as possible but in any event not later than 48 hours before the time appointed for holding EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

18 October 2024

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## DEFINITIONS

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

“Adoption Conditions”	the conditions of the adoption of the Share Option Scheme as disclosed in the paragraph headed “Adoption Conditions” in this circular
“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders at the EGM
“Applicable Laws”	any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules and the Code on Takeovers and Mergers and Share Buy-backs)
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Awards”	award of Share(s) granted or to be granted under any share award scheme adopted and to be adopted by the Company from time to time
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“chief executive”	has the same meaning ascribed to it under the Listing Rules
“Company”	Raymond Industrial Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“core connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held by the Company for the Shareholders to consider and, if thought fit, approving the adoption of the Share Option Scheme
“Eligible Participant(s)”	an individual or a corporate entity (as the case may be), being any of the following: (a) any Employee Participant(s); (b) any Related Entity Participant(s); and (c) any Service Provider(s)

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## DEFINITIONS

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“Employee Participant(s)”	any director and employee (whether full time or part time) of the Company or the Group
“Exercise Period”	in respect of any particular Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the Share Option Scheme; and (ii) 10 years from the Offer Date of that Option
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option
“Grant”	including offer, issue and grant of options under the Share Option Scheme
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 October 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	an offer for the grant of an Option made in accordance with the Share Option Scheme
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the Share Option Scheme
“Related Entity Participant(s)”	any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company

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## DEFINITIONS

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“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Options and Awards to be granted under the Share Option Scheme and any other Share Scheme(s) of the Company, being 10% of the total number of Shares in issue as at the date of the EGM
“Service Provider(s)”	person(s) who provide services to the member(s) of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, excluding placing agents or financial advisers who provide advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity
“Share(s)”	the ordinary share(s) of the Company
“Shareholders”	the holder(s) of Share(s)
“Share Award Scheme”	any scheme adopted or to be adopted by the Company, involving the grant of new Shares by the Company
“Share Schemes”	including the Share Option Scheme and any Share Award Scheme(s)
“Share Option Scheme”	this share option scheme in its present form or as may be amended from time to time in accordance with the provisions hereof
“Service Provider Sublimit”	the sublimit (under the Scheme Mandate Limit) on the total number of Shares that may be issued in respect of all Options and Awards to be granted to Service Providers under the Share Option Scheme and any other Share Schemes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	the companies which for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“treasury shares”	has the same meaning ascribed to it under the Listing Rules

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## DEFINITIONS

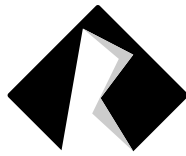
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“Vesting Date”	in relation to any Grantee, the earliest date stated in the Offer on which the Option (or a tranche thereof) granted to him may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Option
“Vesting Period”	in relation to any Grantee, the period commencing on the date on which the Grantee accepts the Option granted to him and ending on the Vesting Date (both dates inclusive)
“%”	per cent.
“\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## LETTER FROM THE BOARD

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**RAYMOND** Industrial Ltd

利 民 實 業 有 限 公 司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 0229)**

*Executive Directors*

Dr. WONG, Man Hin Raymond (*Chairman*)

Mr. WONG, Ying Man John

Mr. MOK, Kin Hing

*Non-executive Directors*

Dr. WONG, Kin Lae Wilson

Mr. WONG, Ying Kit David

*Independent Non-executive Directors*

Ms. LING, Kit Sum Imma

Mr. LO, Kwong Shun Wilson

Dr. KO, Siu Fung Stephen

*Registered Office:*

Rooms 1806-1813

18th Floor, Grandtech Centre

8 On Ping Street

Shatin, New Territories

Hong Kong

18 October 2024

*To the Shareholders*

Dear Sir or Madam

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

**1. INTRODUCTION**

The purpose of this circular is to provide you with information to seek your approval of the resolutions to be proposed at the EGM for the proposed adoption of the Share Option Scheme. A notice of the EGM containing the resolutions to be proposed at the EGM is set out in this circular.

**2. PROPOSED ADOPTION OF SHARE OPTION SCHEME**

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

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## LETTER FROM THE BOARD

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### **Purpose**

The purposes of the Share Option Scheme are (a) to enable the Company to grant Options to the Eligible Participants as incentive or rewards for their contribution to the growth and development of the Group; (b) to attract and retain personnel to promote the sustainable development of the Group; and (c) to align the interest of the Grantees with those of the Shareholders to promote the long term financial and business performance of the Company.

### **Adoption Conditions**

The Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the shareholders of the Company in general meeting to approve and adopt the Share Option Scheme and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options under the Share Option Scheme; and
- (b) the listing committee of the Stock Exchange granting the listing of and permission to deal in the shares which may be allotted and issued by the Company in respect of any Options to be granted under the Share Option Scheme.

### **Eligible Participants and basis of eligibility**

Eligible Participants under the Share Option Scheme include any (a) Employee Participants; (b) Related Entity Participants; and (c) Service Providers. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors (or as the case may be, excluding the independent non-executive Directors) from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group, taking into account the experience of the Eligible Participants with the Group, the amount of contribution the relevant Eligible Participant has made and is likely to make towards the success of the Group and such other factors as the Board may at its discretion consider appropriate.

By offering Options to the Employee Participants, their interest will be aligned with the long-term development of the Group as they may also enjoy any potential upside from increasing value of the Group. The Share Option Scheme can motivate employees and Directors to stay in the Group and strive for the benefit of the Group as well as themselves. It can also foster long-term relationships with directors and employees by granting them an equity interest in the Group.

Under the Share Option Scheme, Eligible Participants also include any Service Providers including information technology service providers and consultants who possess knowledge and expertise in enhancing the Company's cybersecurity framework, and provide assistance in various aspects of the Group's digital transformation and automation initiatives. When considering eligibility of, and terms of Grant to the Service Providers under this category, the Board will consider, among other things: (i) the nature and scope of services supplied; (ii) length and frequency of services supplied; (iii) the reliability and quality of services supplied; and (iv) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms



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## LETTER FROM THE BOARD

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of enhancement of cost-effectiveness of the Group's business operations and streamlining of the Group's operational processes during the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period) who are, and anticipated to be going forward significant to the Group's business.

Such persons may be remunerated with equity incentives to align their long-term interests with the Group. The Board will also consider whether the frequency of the services provided by a Service Provider is akin to that of its regular employees taking into account the following factors:

- (a) the type(s) of services the Service Provider had performed for the Group in the past;
- (b) the past experience of the Service Provider;
- (c) the period of engagement of the Service Provider; and
- (d) the Service Provider's contribution and future contribution to the development and growth of the Group, including but not limited to their contribution to maintaining the Group's competitive edge and navigating and adapting to any current and/or future technological disruptions faced/will be faced by the Group, based on quantitative performance indicators to be determined by the Board or the remuneration committee of the Board on a case-by-case basis.

Although the Company does not currently grant Options or Awards to the Service Providers and has not made any grants to Service Providers as at the Latest Practicable Date, the Board (including the independent non-executive Directors) considers that such grants may be necessary in the future in order to align the long-term interests of the Service Providers with the Group. The Service Providers can play an important role in the long-term growth of the Group's businesses and the Board (including the independent non-executive Directors) is of the view that it is in the Company's interest to have the flexibility to grant Options and/or Awards to such Service Providers in recognition of their contribution to the Group. The Board (including the independent non-executive Directors) also considers that it is beneficial to allow for the Grant of Options and/or Awards to the Service Providers since a sustainable and mutually beneficial relationship with the Service Providers is instrumental to the growth and development of the Group. The Grant of Options and/or Awards to the Service Providers will better align their interests with the Group's, which will in turn incentivise them to further contribute to the success of the Group in the longer term.

The Directors (including the independent non-executive Directors) consider that the inclusion of each of the Related Entity Participants and proposed categories of Service Providers in the Share Option Scheme are in line with the Company's business needs and the purpose of the Share Option Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the criteria for the election of Eligible Participants align with the purpose of the Share Option Scheme, based on the following reasons:

- (a) the Grant of Options to the Related Entity Participants and the Service Providers would strengthen their loyalty to the Group and provide incentive for a higher degree of their participation and involvement in promoting the business of the Group and maintaining a stable

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## LETTER FROM THE BOARD

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and long-term relationship with the Group. Through the Grant of Options and/or Awards, the interest of such Related Entity Participants and Service Providers will be aligned with that of the Group in promoting the growth and development of the Group's business;

- (b) in respect of the Related Entity Participants, the Company and the Related Entity Participants have always had a close working relationship. Despite the Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships. They may be involved in business engagements relating to or having connections with the Group's businesses. Therefore, it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the Share Option Scheme;
- (c) in respect of the Service Providers, the Group has, in its ordinary and usual course of business, collaborated with information technology service providers and consultants who possess knowledge and expertise in enhancing the Company's cybersecurity framework, and provide assistance in various aspects of the Group's digital transformation and automation initiatives. It is believed that the Group's success is attributable to the high quality of services provided by such entities. These Service Providers are closely connected to and crucial to the Group's day-to-day operations, and their contribution has substantial impact on the result of operations of the Group. Such Service Providers contribute to the long-term growth of the Group by enhancing the cost-effectiveness of the Group's business operations and streamlining the operational process of the Group, enabling the Group to operate in a more environmentally friendly manner, aligning with our ESG (environmental, social and governance) commitments, while simultaneously enhancing staff efficiency and fostering a culture of sustainability. Therefore, the Board considers that, by including the Service Providers as Eligible Participants under the Share Option Scheme will allow more flexibility to the Group to recognise and incentivise the contributions of the Service Providers.

Having taken into account of the fact that (i) the Related Entity Participants and the categories of Service Providers are in line with the Group's business needs; (ii) recognising the contribution of the Related Entity Participants may enhance their performance and contribution to the Group; and (iii) the contributions from the Related Entity Participants are essential to the successful development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of the Related Entity Participants is fair and reasonable and aligns with the purpose of the Share Option Scheme.

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

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## LETTER FROM THE BOARD

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### **Scheme Mandate Limit and Service Provider Limit**

The maximum total number of new Shares which may be issued upon exercise of all Options and Awards to be granted under the Share Option Scheme and other Share Schemes must not in aggregate exceed 10% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date. As at the Latest Practicable Date, there were an aggregate of 501,324,860 Shares in issue. Assuming there is no further change in the number of issued Shares from the Latest Practicable Date to the date of the EGM on which the Share Option Scheme is expected to be conditionally approved and adopted by the Shareholders, the maximum number of Shares that can be issued upon exercise of the Options and Awards granted under the Share Option Scheme and other Share Schemes is 50,132,486 Shares, representing 10% of the Shares in issue (excluding any treasury shares).

The Board has also proposed to adopt the Service Provider Sublimit in respect of the total number of new Shares which may be issued in respect of all Options and Awards to be granted to the Service Providers under the Share Option Scheme and other Share Schemes within the Scheme Mandate Limit, to be 1% of the total number of Shares in issue (excluding any treasury shares) on the Adoption Date. Assuming there is no further change in the number of issued Shares from the Latest Practicable Date to the date of the EGM on which the Share Option Scheme are expected to be conditionally approved and adopted by the Shareholders, the maximum number of Shares that can be issued under the Service Provider Sublimit upon exercise of the Options and Awards granted under the Share Option Scheme and other Share Schemes is 5,013,248 Shares, representing 1% of the Shares in issue (excluding any treasury shares).

For the avoidance of doubt, the Service Provider Sublimit forms part of the Scheme Mandate Limit.

The basis for determining the Service Provider Sublimit (namely, 1% of the total number of Shares in issue on the Adoption Date) includes (a) the potential dilution effect arising from Grants to the Service Providers; (b) the importance of striking a balance between achieving the purpose of the Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options and awarded shares to the Service Providers; (c) the extent of use of Service Providers in the Group's businesses; (d) the expected contribution to the development and growth of the Company attributable to the Service Providers; and (e) the fact that the Company expects that a majority of Options will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for Grants to the Employee Participants.

Based on the above, the Board considers that the Service Provider Sublimit of 1% will not lead to an excessive dilution of shareholding of the existing Shareholders and is appropriate and reasonable. Further, taking into account that (i) the Company has no other Share Schemes other than the Share Option Scheme; and (ii) the assessment criteria for the selection of Service Providers as disclosed in the paragraph headed "Eligible Participants and basis of eligibility" above, which allows flexibility for the Board to consider and evaluate a variety of factors at its discretion to ensure the Grant of Options are to eligible Service Providers, the Board (including the independent non-executive Directors) is of the view that, the Service Provider Sublimit is in line with the Company's business needs, and aligns with the purpose of the Share Option Scheme and the long term interests of the Company and the Shareholders and is fair and reasonable as a whole.

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## LETTER FROM THE BOARD

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The Service Provider Sublimit is subject to separate approval by the Shareholders at the EGM.

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

### **Vesting Period**

Pursuant to the Share Option Scheme, the relevant Vesting Period shall not be less than twelve (12) months.

There could be a shorter Vesting Period at the discretion of the Board or the remuneration committee of the Board (as the case may be) under each of the following circumstances in relation to Grant to the Employee Participants:

- (a) grants of “make-whole” Options to new Employee Participants to replace the awards or Options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons which may include Options that should have been granted earlier but had to wait for a subsequent batch, in which cases the Vesting Period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements; and
- (d) grants with a mixed or accelerated vesting schedule such as where the Options vest evenly over a period of twelve (12) months.

To ensure the practicability in fully achieving the purpose of the Share Option Scheme, the Board and the remuneration committee of the Board consider that (i) there are certain instances where a strict 12-month vesting requirement may not work or would be unfair to holder(s) of the Options, such as those set out above; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the discretion in allowing a shorter Vesting Period in each of the circumstances as detailed above is appropriate and in line with the purpose of the Share Option Scheme.

### **Performance target and clawback mechanism**

While the Share Option Scheme does not prescribe specific performance targets that must be met before an Option can be exercised, it is subject to the clawback mechanism to recover or withhold any remuneration to any Eligible Participants. In the event that any of the clawback events occurs, the

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## LETTER FROM THE BOARD

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Board may claw back such number of Options granted as it may consider appropriate, or extend the Vesting Period in relation to all or any of the Options to such longer period as the Board may consider appropriate.

The Board believes that it is in the best interests of the Company to retain flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution.

### **Exercise Price**

The Exercise Price for any Option under the Share Option Scheme shall be a price determined by the Board at its absolute discretion and notified to each Grantee and shall not be less than the highest of:

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

The Directors consider that such basis will serve to preserve the value of the Company and at the same time encourage the Eligible Participants to acquire proprietary interests in the Company.

### **General**

No trustee has been appointed under the Share Option Scheme. No Director has a material interest and is required to abstain from voting for the resolutions to approve the adoption of the Share Option Scheme. None of the Shareholders is required to abstain from voting for such resolutions at the EGM pursuant to the Listing Rules and/or the Articles of Association.

As at the Latest Practicable Date, the Board has not identified any specific Grantee or made any immediate plan to make Grants of Options. The Company has no intention to use treasury shares (if any) for the Share Option Scheme.

### **3. DOCUMENT ON DISPLAY**

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

### **4. THE EGM**

A notice of the EGM to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 11:00 a.m. on 7 November 2024 (Thursday) is set out on pages 26 to 27 of this circular.

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## LETTER FROM THE BOARD

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### 5. PROXY ARRANGEMENT

A form of proxy for use at the EGM is enclosed with this circular and has been posted on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.raymondfinance.com](http://www.raymondfinance.com)) respectively. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at Rooms 1806-1813, 18th Floor, Grandtech Centre, 8 On Ping Street, Shatin, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

### 6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by a poll. Therefore, all resolutions proposed at the EGM shall be voted by poll. The results of the poll will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.raymondfinance.com](http://www.raymondfinance.com) after the EGM as soon as possible.

### 7. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members will be closed from Monday, 4 November 2024 to Thursday, 7 November 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 EGM, all transfer documents, accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 1 November 2024.

### 8. 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.

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## LETTER FROM THE BOARD

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### 9. RECOMMENDATIONS

The Directors consider the proposed adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully  
For and on behalf of the Board  
**Raymond Industrial Limited**  
**WONG, Man Hin Raymond**  
*Chairman*

*The following is a summary of the principal terms of the Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the Share Option Scheme.*

**1. Purpose of the scheme**

The purpose of the Share Option Scheme is to (a) enable the Company to grant Options to the Eligible Participants as incentive or rewards for their contribution to the growth and development of the Group; (b) to attract and retain personnel to promote the sustainable development of the Group; and (c) to align the interest of the Grantees with those of the Shareholders to promote the long-term financial and business performance of the Company.

**2. Who may join**

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up Options to subscribe for Shares:

- (a) any Employee Participants;
- (b) any Related Entity Participants; and
- (c) any Service Providers including information technology service providers and consultants who possess knowledge and expertise in enhancing the Company’s cybersecurity framework, and provide assistance in various aspects of the Group’s digital transformation and automation initiatives. When considering eligibility of, and terms of Grant to the Service Providers under this category, the Board will consider, among other things: (i) the nature, scope of services supplied; (ii) length and frequency of services supplied; (iii) the reliability and quality of services supplied; and (iv) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of enhancement of cost-effectiveness of the Group’s business operations and streamlining of the Group’s operational processes during the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period) who are, and anticipated to be going forward significant to the Group’s business.

The Board will also consider whether the frequency of the services provided by a Service Provider is akin to that of its regular employees taking into account the following factors:

- (a) the type(s) of services the Service Provider had performed for the Group in the past;
- (b) the past experience of the Service Provider;
- (c) the period of engagement of the Service Provider; and



- (d) the Service Provider's contribution and future contribution to the development and growth of the Group, including but not limited to their contribution to maintaining the Group's competitive edge and navigating and adapting to any current and/or future technological disruptions faced/will be faced by the Group, based on quantitative performance indicators to be determined by the Board or the remuneration committee on a case-by-case basis.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

### **3. Maximum number of Shares**

- (a) The maximum number of Shares which may be allotted and issued in respect of all Options and Awards to be granted under the Share Option Scheme and any other Share Schemes ("**Scheme Mandate Limit**") shall not exceed 10% of the number of Shares in issue (excluding any treasury shares) as at the date of approval of the Share Option Scheme. Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no Option or Award may be granted under the Share Option Scheme or any other Share Scheme if the grant of such option or Award will result in the Scheme Mandate Limit being exceeded.
- (b) The sublimit (under the Scheme Mandate Limit) on the total number of Shares that may be issued in respect of all Options and Awards to be granted to Service Providers under the Share Option Scheme and any other share schemes adopted by the Group ("**Service Provider Sublimit**") shall not exceed 10% of the Scheme Mandate Limit. The Service Provider Submit shall be within the Scheme Mandate Limit.
- (c) Subject to paragraph 3(a) and without prejudice to paragraph 3(d), the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) under the Share Option Scheme and any other Share Schemes, provided that:
  - i. the total number of Shares which may be allotted and issued upon exercise of all Options and Awards to be granted under the Share Option Scheme and any other Share Schemes must not exceed 10% of the Shares in issue (excluding any treasury shares) as at the date of approval of the refreshed limit, and for the purpose of calculating the refreshed Scheme Mandate Limit (and the Service Provider Sublimit), Options or Awards lapsed in accordance with the terms of the Share Option Scheme and any other Share Scheme will not be regarded as utilised;

- ii. where the refreshment of the Scheme Mandate Limit (and the Service Provider Sublimit) is sought:
  1. within three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme): (1) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and (2) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing), provided that the requirements under this paragraph 3(c)(ii)(1) do not apply if the refreshment is made immediately after an issue of securities by the issuer to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share; and
  2. after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme), the requirements under paragraph 3(c)(ii)(1) shall not be applicable.

For the purpose of seeking the approval of the Shareholders under this paragraph 3(c), the Company must send a circular to the Shareholders containing the information required under the Listing Rules and comply with the requirements under the Listing Rules.

- (d) Subject to paragraph 3(a) and without prejudice to paragraph 3(c), the Company may seek separate shareholders' approval in general meeting to grant Options and Awards under the Share Option Scheme and any other Share Schemes beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 3(c) to the Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under this paragraph 3(d), the Company must send a circular to the Shareholders containing the information required under the Listing Rules and comply with the requirements under the Listing Rules. The number and terms of Options or Awards to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such Grant should be taken as the date of Grant for the purpose of calculating the Exercise Price.

#### **4. Maximum entitlement of each participant**

Subject to paragraph 5(b), where any Grant of Options or Awards to a Grantee under the Share Option Scheme and any other Share Schemes would result in the Shares issued and to be issued upon exercise of all Options or Awards granted and proposed to be granted to such person (excluding any

Options and Awards lapsed in accordance with the terms of the Share Option Scheme or the other Share Scheme) under the Share Option Scheme and any other Share Schemes in the 12-month period up to and including the date of such further Grant representing in aggregate over 1% of the total number of Shares in issue (excluding any treasury shares) (“**1% Individual Limit**”), such Grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or his associates if the Grantee is a connected person of the Company) abstaining from voting. The number and terms of Options or Awards to be granted to such participant must be fixed before Shareholders’ approval. In respect of any Options to be granted, the date of the board meeting for proposing such Grant should be taken as the date of Grant for the purpose of calculating the Exercise Price.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing, among others, the identity of such participant, the number and the terms of the Options and/or Awards to be granted (and Options and/or Awards previously granted to such participant in the 12-month period) and such other information required under the Listing Rules.

#### **5. Grant of Options to connected persons**

- (a) Without prejudice to paragraph 4 above, the making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Options or Awards). The requirements for the Grant to a Director or chief executive of the Company set out in this paragraph do not apply where the Eligible Participant is only a proposed Director or proposed chief executive of the Company.
- (b) Where any Grant of Options or Awards to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the Share Option Scheme or the relevant Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such Grant of Options or Awards must be approved by the Shareholders in general meeting (with such Grantee, his associates and all core connected persons of the Company abstaining from voting in favour). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).
- (c) Any change in the terms of Options or Awards granted to any grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting (with such grantee, his associates and all core connected person of the Company abstaining from voting in favour), if the initial Grant of the Options or Awards requires such approval (except where the changes take effect

automatically under the existing terms of the Share Option Scheme). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).

- (d) The requirements for the Grant to a Director or chief executive of the Company set out in this paragraph 5 do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing the information required under the Listing Rules, including but not limited to, details of the number of and terms of the Options to be granted to each grantee, which must be fixed before the Shareholders' meeting, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options or awards) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting, and comply with the requirements under the Listing Rules.

#### **6. Acceptance and exercise of Option**

An Offer shall be deemed to have been accepted by an Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the date of the Offer).

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the Grantee, which period may commence from the Offer Date but shall end in any event not later than 10 years from the Offer Date of that Option subject to the provisions for early termination thereof.

#### **7. Vesting Period**

The Vesting Period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (a) an Employee Participant who is a Director, the remuneration committee of the Board shall, or
- (b) an Employee Participant who is not a Director, the Directors shall have the authority to determine a shorter Vesting Period under the following specific circumstances:
  - i. grants of "make-whole" Options to a new Employee Participant to replace Awards or Options such Employee Participant forfeited when leaving his previous employer;

- ii. grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- iii. grants that are made in batches during a year for administrative and compliance reasons. Such circumstances may include Options that should have been granted earlier but had to wait for subsequent batch, in which case the Vesting Period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements; or
- iv. grants of Options with a mixed or accelerated Vesting Period schedule such that the Options vest evenly over a period of 12 months.

#### 8. Performance target and clawback mechanism

- (a) Unless the Directors otherwise determined and stated in the Offer to a Grantee, a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him, but is subject to the clawback mechanism referred to in paragraph 8(c) below.
- (b) The Directors may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback or a longer Vesting Period if any of the clawback events stated in paragraph 8(c) below shall occur.
- (c) Notwithstanding the terms and conditions of the Share Option Scheme, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events (“**Clawback Event**”) shall occur during an Exercise Period:
  - i. there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
  - ii. the Grantee being guilty of fraud or persistent or serious misconduct; or
  - iii. any other event implicitly or explicitly characterised in the Offer letter as a Clawback Event.

Upon the occurrence of any of the above Clawback Events, the Directors may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Options (to the extent not already exercised) granted as the Directors may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Period has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to paragraph 8(c) will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- (d) For the avoidance of doubt, whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Board.

**9. Exercise Price**

The Exercise Price in respect of any Option will be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date.

**10. Ranking of Shares**

- (a) Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members ("**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share to be allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.
- (b) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reconstruction

**11. Restrictions on the time of grant of Options**

- (a) No Offer shall be made after inside information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information. In particular, no Offer may be made during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; and for the avoidance of doubt, no Offer may be made during any period of delay in publishing a results announcement.
- (b) The Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**12. Period of the Share Option Scheme**

The Share Option Scheme will remain in force for a period of 10 years commencing from the Adoption Date.

**13. Rights on ceasing employment**

If the Grantee of an Option is an Employee Participant and ceases to be an Employee Participant for any reason other than death, ill-health, disability or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in paragraph 15 below before the exercising the Option in full, the Option (to the extent vested and not already exercised) will lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 17 or 18 occur during such period, exercise the Option pursuant to paragraph 17 or 18 respectively. For this purpose, the date of cessation or termination will be taken to be the last day on which the Grantee was actually at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not.

**14. Rights on death, ill-health, disability or retirement**

If the Grantee of an Option is an Employee Participant and ceases to be an Employee Participant by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 17 or 18 occur during such period, exercise the Option pursuant to paragraph 17 or 18 respectively.

For the avoidance of doubt, all unvested Options shall be forfeited and cancelled on the date of cessation or termination of employment.

**15. Right on dismissal**

If the Grantee is an Employee Participant and ceases to be an Employee Participant by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group into disrepute), his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Employee Participant.

**16. Rights on breach of contract**

In respect of a Grantee other than an Employee Participant, if the Directors shall at their absolute discretion determine that (a)(i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group on the other part; or (ii) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (b) the Option shall lapse as a result of any event specified in sub-paragraphs (i), (ii) and (iii) above, his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**17. Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent vested and not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

**18. Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent vested and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and the Company shall allot and issue to the Grantee the Shares in respect of which such grantee has exercised his Option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the



Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up.

**19. Grantee being a company wholly-owned by Eligible Participants**

If the Grantee is a vehicle (such as a trust or a private company, “**Participant Vehicle**”) for the benefit of an Eligible Participant and any family members of such Eligible Participant (for purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules:

- (a) paragraphs 13, 14, 15 and 16 shall apply to the Grantee and to the Options granted to such Grantee, mutatis mutandis, as if such Options had been granted to the relevant individual Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 13, 14, 15 and 16 shall occur with respect to the relevant individual Eligible Participant; and
- (b) the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly-owned by the relevant individual Eligible Participant(s) (or, where the Grantee is originally a trust of which the relevant individual Eligible Participants is a beneficiary or discretionary object, on the date the relevant individual Eligible Participant ceases to be a beneficiary or discretionary object) provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**20. Adjustments to the Exercise Price**

In the event of a capitalisation issue, rights issue, consolidation or sub-division of Shares, or reduction of the share capital of the Company while an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to (a) the number of Shares subject to the Share Option Scheme or any Option relates (insofar as it is/they are unexercised); and/or (b) the Exercise Price of any Option; and/or (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option, provided that (i) any such adjustment shall give a Grantee the same proportion of the issued shares in the Company (round to the nearest whole share) as that to which such Grantee was entitled immediately prior to such adjustment; (ii) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value; (iii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (iv) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

**21. Cancellation of Options**

Save for any breach of the requirement under paragraphs 8, 14 and 23 which shall entitle the Company to cancel the Option(s) granted to the relevant Grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any Options granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.

When the Company cancels any unvested Option granted to a Grantee or any vested (but not yet exercised) Option and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraphs 3(a), 3(b), (3)(c) or (3)(d) above. The Options cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

**22. Termination of the Share Option Scheme**

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

**23. Rights are personal to the Grantee**

- (a) Subject to paragraph 23(b) below, an Option shall be personal to the Grantee and shall not be transferable or assignable.
- (b) Where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by a Grantee may be allowed to be transferred to a Participant Vehicle for the benefit of the Grantee and any family members of such Grantee (for purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules. The Participant Vehicle shall comply with paragraph 23(a) and other provisions of the Share Option Scheme shall apply, mutatis mutandis, to the Participant Vehicle.

**24. Lapse of Option**

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

- (a) the expiry of the period referred to in paragraph 12; and
- (b) the expiry of the periods or dates referred to in paragraphs 13, 15, 16, 17, 18 and 19.

**25. Alteration of the Share Option Scheme**

- (a) Subject to paragraphs 25(b) to 25(e), the Share Option Scheme may be altered in any respect by a resolution of the Directors except that:
  - i. the provisions as to the definitions of “Eligible Participants”, “Grantee”, “Exercise Period” and “Termination Date”;
  - ii. the provisions relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees except with the sanction of a resolution of the Shareholders, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

- (b) Any change to the authority of the Directors or the administrators to alter the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting.
- (d) Any change to the terms of any Options granted to a Grantee shall be approved by the Directors, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (e) The terms of the Share Option Scheme and/or the Options amended shall comply with the applicable requirements of the Listing Rules.

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## NOTICE OF THE EGM

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### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “**EGM**”) of Raymond Industrial Limited (the “**Company**”) will be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 11:00 a.m. on 7 November 2024 (Thursday) to consider and, if thought fit, passing, with or without modifications, the following resolutions:

#### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the listing committee (the “**Listing Committee**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval of the listing of, and permission to deal in, the new shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are set out in the printed documented marked “A” now produced in this meeting and signed by the chairman of the meeting for identification purpose, the Share Option Scheme be and is hereby approved and adopted;
- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company involving issuance of new shares of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equal to 10% of the Shares in issue (excluding any treasury shares) as at the date of passing this resolution;
- (c) the directors of the Company be and are hereby authorised to do all such acts and to enter into all such arrangements as may be necessary or expedient in order to give full effect to the Share Option Scheme including but without limitation to: (i) administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for Shares; (ii) modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”); (iii) grant options to subscribe for Shares under the Share Option Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme and subject to the Listing Rules; (iv) make application at the appropriate time or times to the Listing Committee upon which the issued Shares may, for the time being, be listed, for listing of, and permission

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## NOTICE OF THE EGM

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to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the Share Option Scheme; and (v) consent, if they so deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

2. “**THAT** subject to and conditional upon the passing of resolution numbered 1 above, the Service Provider Sublimit (as defined in the Share Option Scheme) on the total number of Shares which may be issued in respect of any options and awards granted under the Share Option Scheme and any other share schemes of the Company involving issuance of new shares of the Company as may from time to time be adopted by the Company, representing 1% of the total number of Shares in issue (excluding any treasury shares) on the date of passing of this resolution be and is hereby approved and adopted.”

By Order of the Board  
**Raymond Industrial Limited**  
**WONG, Man Hin Raymond**  
*Chairman*

Hong Kong, 18 October 2024

*Notes:*

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the person, whether attending in person or by proxy, whose name stands first on the register of members of the Company in respect of such Share shall be accepted to the exclusion of the vote(s) of the other joint holder(s).
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the registered office of the Company at Rooms 1806-1813, 18th Floor, Grandtech Centre, 8 On Ping Street, Shatin, New Territories, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting at the above meeting (or any adjournment thereof) in person.
4. For the purpose of determining shareholders who are entitled to attend and vote at the EGM to be held on Thursday, 7 November 2024, the register of members of the Company will be closed from Monday, 4 November 2024 to Thursday, 7 November 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 EGM, all transfer documents, accompanied by the relevant share certificates, should be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Friday, 1 November 2024.
5. A circular containing, inter alia, details of the resolutions set out in this notice will be despatched to the shareholders of the Company.