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If you have sold or transferred all your shares in Karrie International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

**(1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS,
(3) TERMINATION OF THE 2021 SHARE OPTION SCHEME AND
ADOPTION OF THE 2023 SHARE OPTION SCHEME,
(4) ADOPTION OF THE 2023 SHARE AWARD PLAN
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 1st Floor, Grand Ballroom, Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, DongGuan, GuangDong, PRC on Wednesday, 30 August 2023 at 12:00 noon is set out on pages AGM-1 to AGM-7 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting should they so wish.

This circular together with the form of proxy will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.karrie.com).

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DEFINITIONS

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

“2021 Share Option Scheme”	the share option scheme of the Company adopted on 24 August 2021;
“2023 Share Award Plan”	means the share award plan proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix IV to this circular;
“2023 Share Option Scheme”	means the share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular;
“Adoption Date”	30 August 2023, being the date on which the 2023 Share Option Scheme and the 2023 Share Award Plan are proposed to be adopted by the Company at the AGM;
“Annual General Meeting”	the annual general meeting of the Company to be held at 1st Floor, Grand Ballroom, Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, DongGuan, GuangDong, PRC on Wednesday, 30 August 2023 at 12:00 noon;
“associates”	has the same meaning as defined in the Listing Rules;
“Award”	a provisional award of the Awarded Shares made in accordance with the rules of the 2023 Share Award Plan;
“Award Notice”	the notice to be sent to the Trustee upon the making of an Award containing the particulars as provided in the paragraph headed “Administration and Operation” in Appendix IV;
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award;
“Board”	the board of Directors;

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“Bye-laws”	the bye-laws of the Company;
“CG Code”	the Corporate Governance Code, as set out in Appendix 14 to the Listing Rules;
“Company”	Karrie International Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the same meaning as defined in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	means: (a) Employee Participant(s); (b) Related Entity Participant(s); and (c) Service Provider(s), and for the purpose of the 2023 Share Option Scheme and the 2023 Share Award Plan, the options or awards may be made to a vehicle (such as trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable);

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“Employee Participant(s)”	any director or employee (whether full time or part time, including any executive director and including any person who has entered into an employment contract with the Group or any of its Subsidiaries, provided that the commencement date of his tenure under the employment contract shall fall on a date before the vesting date and such employment contract shall remain valid and subsisting up to and including the vesting date, and provided further that, such person shall not be regarded as an Employee Participant if he dies before the commencement date of his tenure under the employment contract) of the Company or any Subsidiary;
“General Mandates”	the Issuance Mandate, the Repurchase Mandate and the Top-up Mandate;
“Grantee”	any Eligible Participant who accepts the offer to accept an option in accordance with the terms of the 2023 Share Option Scheme, and where the context permits, any person who is entitled to any such option in consequence of the death of the original Grantee (being an individual);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board in this circular;
“Latest Practicable Date”	20 July 2023, 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 of Hong Kong Limited (as amended from time to time);

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“Options”	the right granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme;
“Original Trustee”	DL Securities (HK) Limited, a company incorporated under the laws of Hong Kong;
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant”	any director or employee (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company;
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board in this circular;
“Returned Shares”	such Awarded Shares and other distributions which are not vested and/or forfeited in accordance with the terms of the 2023 Share Award Plan, or was forfeited in accordance with the terms of the 2023 Share Award Plan, or such Shares being deemed to be Returned Shares;
“Scheme Limit” or “Scheme Mandate Limit” or “Plan Mandate Limit”	a limit on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s)/plan(s), which must not exceed 10% of the issued Shares as at the date of approval of this limit by the Shareholders at a general meeting;
“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or his personal representative pursuant to the 2023 Share Award Plan;

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“Service Provider(s)”	means any person (whether a natural person, a corporate entity or otherwise) who provides services to 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, including but not limited to person(s) who work for the Company as independent contractors (including consultants, suppliers, agents, partners, joint venture partners or advisers of or contractors of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
“Service Provider Sub-limit”	a sub-limit on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s) to the Service Providers, which must not exceed 1% of the issued Shares as at the date of approval of this sub-limit by the Shareholders at a general meeting;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-Backs;
“Top-up Mandate”	as defined in paragraph 2(c) of the Letter from the Board in this circular;

DEFINITIONS

“Trustee”

the Original Trustee or such trustee or trustees (if any) as shall be from time to time appointed by the Company for the administration of Shares and other trust assets to be held by the Trustee for the implementation of the 2023 Share Award Plan; and

“%”

per cent.



Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

Executive Directors:

Mr. Ho Cheuk Fai (*Chairman & CEO*)
Ms. Chan Ming Mui, Silvia
Mr. Zhao Kai
Mr. Chan Raymond

Non-executive Directors:

Mr. Ho Cheuk Ming (*Deputy Chairman*)
Mr. Ho Kai Man

Independent Non-executive Directors:

Mr. Fong Hoi Shing
Mr. Yam Chung Shing
Dr. Lau Kin Wah

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal place of business
in Hong Kong:*

9th Floor
Southeast Industrial Building
611-619 Castle Peak Road
Tsuen Wan, New Territories
Hong Kong

31 July 2023

To the Shareholders

Dear Sirs or Madams,

**(1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS
(3) TERMINATION OF THE 2021 SHARE OPTION SCHEME AND
ADOPTION OF THE 2023 SHARE OPTION SCHEME,
(4) ADOPTION OF THE 2023 SHARE AWARD PLAN
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) granting of the General Mandates to the Directors; (ii) re-electing the retiring Directors, (iii) the termination of the 2021 Share Option Scheme and the adoption of the 2023 Share Option Scheme, (iv) the adoption of the 2023 Share Award Plan, and to give Shareholders the notice of the Annual General Meeting.

* *For identification purpose only*

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 26 August 2022, approval was given by Shareholders for the granting of, inter alia, general mandates to the Directors to (i) repurchase Shares on the Stock Exchange up to 10% of the number of issued Shares of the Company as at the date of passing of the relevant resolution; and (ii) allot and issue Shares not exceeding 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution. In accordance with the terms of the approval, these general mandates will expire on 1 September 2023 upon the conclusion of the forthcoming Annual General Meeting.

To keep in line with current corporate practice of the Company, the grant of fresh general mandates for the same purpose is being sought from Shareholders and ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of general mandates to the Directors:

- (a) to allot, issue or deal with Shares of not exceeding 20% of the number of issued Shares of the Company on the date of passing of such resolution (the “**Issuance Mandate**”). As at the Latest Practicable Date, the total number of issued Shares was 2,021,459,200 Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 404,291,840 Shares representing 20% of the total number of issued Shares of the Company as at the date of the Annual General Meeting may be issued under the Issuance Mandate;
- (b) to purchase Shares on the Stock Exchange of up to 10% of the number of issued Shares of the Company on the date of passing of such resolution (the “**Repurchase Mandate**”). As at the Latest Practicable Date, the total number of issued Shares was 2,021,459,200 Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 202,145,920 Shares representing 10% of the total number of issued Shares of the Company as at the date of the Annual General Meeting may be repurchased by the Company under the Repurchase Mandate; and
- (c) to extend the Issuance Mandate by an amount representing the number of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate (the “**Top-up Mandate**”).

The General Mandates will continue in force 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 any applicable law or

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the Bye-laws to be held; and (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in the above resolutions. The existing mandates granted to the Directors to issue and to repurchase Shares shall expire at the conclusion of the Annual General Meeting. With reference to the Issuance Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to the Bye-law 87(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that the chairman of the Board and/or the managing director of the Company shall not, whilst holding their office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire each year.

In addition, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years according to Code Provision A.4.2 of the CG Code. Therefore, Ms. Chan Ming Mui, Silvia, Mr. Chan Raymond and Mr. Ho Cheuk Ming will retire from office by rotation at the Annual General Meeting.

Brief biographical details of the above Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

4. TERMINATION OF THE 2021 SHARE OPTION SCHEME, ADOPTION OF THE 2023 SHARE OPTION SCHEME AND ADOPTION OF THE 2023 SHARE AWARD PLAN

Termination of the 2021 Share Option Scheme

The 2021 Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 24 August 2021. Apart from the Share Option Scheme, the Company has no other share option scheme or share award plan currently in force.

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Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules have been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the 2021 Share Option Scheme and adopt the 2023 Share Option Scheme to replace the 2021 Share Option Scheme.

For illustration purpose, the maximum number of Shares which may be issued upon exercise of all options to be granted under the existing scheme mandate limit of the 2021 Share Option Scheme is 201,613,920 Shares. Since the adoption of the 2021 Share Option Scheme and up to the Latest Practicable Date, the Company has not granted any options under the 2021 Share Option Scheme. The Company also has no intention to grant any options under the 2021 Share Option Scheme from the Latest Practicable Date to the date of the Annual General Meeting.

Pursuant to the terms of the 2021 Share Option Scheme, the Board may at any time terminate the operation of the 2021 Share Option Scheme, and in such event, no further options will be offered but the provisions of the 2021 Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the options granted prior to the termination.

Adoption of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group, and to provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the principal objectives of (a) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group. A summary of the principal rules of the 2023 Share Option Scheme is set out in Appendix III to this circular. The Directors believe that the provisions as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the 2023 Share Option Scheme.

None of the Directors is a trustee of the 2023 Share Option Scheme or has a direct or indirect interest in the trustees of the 2023 Share Option Scheme (if any). There is no trustee appointed for the purposes of the 2023 Share Option Scheme.

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It is proposed that subject to the approval of the Shareholders at the Annual General Meeting of the adoption of the 2023 Share Option Scheme and the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon the exercise of the Options that may be granted under the 2023 Share Option Scheme, the 2023 Share Option Scheme will take effect.

Adoption of the 2023 Share Award Plan

The purpose and objective of the 2023 Share Award Plan, which involves the issue or repurchase of Shares, are: (i) to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The 2023 Share Award Plan will involve the grant of new Shares and/or existing Shares to be purchased from the market.

The reason for the Company to adopt the 2023 Share Award Scheme is because it provides for the award of Awarded Shares to Eligible Participants, who are not required to pay for those Shares either on grant or on vesting of the award, which will offer a more favourable and accepted means of providing incentive to Selected Participants (as compared to the grant of Options which require Option holders to have immediately available funds for payment of subscription prices).

A summary of the principal rules of the 2023 Share Award Plan is set out in Appendix IV to this circular. The Directors believe that the provisions as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the 2023 Share Award Plan.

None of the Directors is a trustee of the 2023 Share Award Plan or has a direct or indirect interest in the trustees of the 2023 Share Award Plan. DL Securities (HK) Limited has been appointed as trustee for the purposes of the 2023 Share Award Plan, and is independent of the Company and its connected persons.

It is proposed that subject to the approval of the Shareholders at the Annual General Meeting of the adoption of the 2023 Share Award Plan and the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon the exercise of the Options that may be granted under the 2023 Share Award Plan, the 2023 Share Award Plan will take effect.

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Other Details of the 2023 Share Option Scheme and the 2023 Share Award Plan

Eligible Participants

The rules of the 2023 Share Option Scheme and 2023 Share Award Plan enable the Company to grant options and awards to Eligible Participants including Employee Participants, Service Providers and Related Entity Participants. For the avoidance of doubt, the Service Providers exclude placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity.

The Board may determine the Employee Participants' eligibility by considering all relevant factors as appropriate and take into account criteria based on the nature of the contributions made by Service Providers and Related Entity Participants before granting options or share awards to them. The Board in determining whether the Service Providers are eligible to participate in the 2023 Share Option Scheme and 2023 Share Award Plan will consider whether such services are in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's key business and market focuses from time to time.

The basis of determining the eligibility of each Eligible Participant, including the criteria for determining a person's eligibility under each category of Eligible Participant, shall be determined by the Board from time to time. For details of the eligibility of each category of Eligible Participants, please refer to Appendix III and Appendix IV to this circular.

The executive Directors are of the view that the eligibility of Employee Participants, Related Entity Participants and Service Providers to participate in the 2023 Share Option Scheme and the 2023 Share Award Scheme is consistent with the purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme. The independent non-executive Directors also share the same view as the executive Directors because this will enable the Group to use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company on one hand and the Employee Participants, Related Entity Participants and Service Providers on the other hand, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group.

As of the Latest Practicable Date, the Group has not granted any options to any Related Entity Participants nor Service Providers under the 2021 Share Option Scheme. Although the Company has not granted any options to such Related Entity Participants or Service Providers under the 2021 Share Option Scheme, the Board considers that it is still appropriate to have the

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flexibility in granting options/awards instead of cash reward or other settlement to the Related Entity Participants or Service Providers since the grant of Options/Awards will offer incentives that are more long-lasting and promising than one-off payments and allow the Group to more efficiently allocate its financial resources by retaining more cash.

The executive Directors are of the view that apart from the contributions from directors and employees, the success of the Group might also come from the efforts and contributions from non-employees (including Related Entity Participants and Service Providers) who have contributed to the Group or may contribute to the Group in the future. The grant of Options and Awards to Related Entity Participants and Service Providers would not only align the interest of the Group with such grantees, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; (ii) their joint and collaborative efforts in co-creating value for the Group's customers; and (iii) maintaining a stable and long-term relationship with the Group. The independent non-executive Directors also share the same view as the executive Directors, and are of the view that based on the reasons above, the adoption of 2023 Share Option Scheme and 2023 Share Award Plan with such scope of Eligible Participants will enable the Group to use equity incentives to encourage persons within and outside the Group to continue to contribute to the growth and development of the Group's business, and therefore aligns with the purpose of the 2023 Share Option Scheme and 2023 Share Award Plan. Furthermore, 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.

In respect of the Related Entity Participants, the Company and the Related Entity Participants have always had a close working relationship. Despite that 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. The Company feels that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the 2023 Share Option Scheme and 2023 Share Award Scheme. In particular, for those related entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these related entities. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2023 Share Option Scheme and 2023 Share Award Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of share options and/or award shares in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the related entities and the group; while the related entities may consider granting share

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options or award shares to those employees, given that the same employees may be utilized by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant share options and/or award shares to those Related Entity Participants in recognition of their contribution to the Company.

In respect of the Service Providers, the Group has, in its ordinary and usual course of business, always relied and collaborated with independent contractors (including consultants, suppliers, agents, partners, joint venture partners or advisers of or contractors of any member of the Group). It is believed that the Group's success is attributable to the high quality of goods and services provided by such persons, entities and suppliers. Moreover, Service Providers may not always be able to serve as full-time or part-time employees of the Group due to a variety of reasons. For example, these persons may have stepped down from employment position with the Group, or they may be experienced in their own fields and professionals with lots of business connections but cannot serve the Group as employees, or they may prefer to remain self-employed.

Amongst Service Providers, suppliers, agents, partners, joint venture partners or contractors directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations, and their contribution directly impacts the results of operations of the Group. Service Providers also include advisors and consultants with relevant expertise. Such Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, production management, as well as marketing. The strategic advice and guidance provided by engaging these Service Providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth.

Based on the above, the executive Directors are of the view that the inclusion of the Related Entity Participants and Service Providers in the 2023 Share Option Scheme and the 2023 Share Award Scheme is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors also share the same view as the executive Directors above because such inclusion would give the Company the flexibility to grant options and awards (instead of cash reward or other settlement) to the Related Entity Participants and Service Providers when necessary. In addition, the independent non-executive Directors consider that the proposed categories of Related Entity Participants and Service Provider Participants above

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are in line with the Group's business needs and industry norm and that the criteria for the selection of Eligible Participants align with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Plan.

Scheme 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 2023 Share Option Scheme, 2023 Share Award Plan and other share schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date. As at the Latest Practicable Date, there were an aggregate of 2,021,459,200 Shares in issue. Assuming there is no issue or repurchase of Shares from the Latest Practicable Date to the date of the Annual General Meeting on which the 2023 Share Option Scheme and the 2023 Share Award Plan are expected to be conditionally approved and adopted by the Shareholders, the maximum number of Shares that can be issued upon exercise of the options under the 2023 Share Option Scheme and as awarded shares under the 2023 Share Award Plan and other share schemes is 202,145,920 Shares, representing 10% of the Shares in issue.

The Board has also set the Service Provider Sublimit in respect of the total number of new Shares which may be issued upon exercise of all options and awards to be granted under the 2023 Share Option Scheme, 2023 Share Award Plan and other share schemes, to be 1% of the total number of Shares in issue on the Adoption Date. Assuming there is no issue or repurchase of Shares from the Latest Practicable Date to the date of the Annual General Meeting on which the 2023 Share Option Scheme and the 2023 Share Award Plan 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 under the 2023 Share Option Scheme and as awarded shares under the 2023 Share Award Plan and other share schemes is 20,214,592 Shares, representing 1% of the Shares in issue.

The basis for determining the Service Provider Sublimit (namely, 1% of the total number of Shares in issue on the Adoption Date) includes (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the 2023 Share Option Scheme and the 2023 Share Award Plan and protecting the Shareholders from the dilution effect from granting a substantial amount of options and awarded shares to the Service Providers; (iii) the extent of use of Service Provider in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers; (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers; and (v) the fact that the Company expects that a majority of Share Options and awarded shares will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Limit for grants to the Employee Participants. Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing

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Shareholders and is appropriate and reasonable. Further, taking into account that (i) the Company has no other share schemes other than the 2023 Share Option Scheme and the 2023 Share Award Plan; and (ii) the assessment criteria for the selection of Service Providers as disclosed in the paragraph headed “Eligible Participants” above allows the 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 Scheme and the long term interests of the Company and the Shareholders as a whole.

The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

Vesting Period

Pursuant to the 2023 Share Option Scheme and the 2023 Share Award Plan, 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 Committee under each of the following circumstances in relation to Grant to the Employee Participants:

1. grants of “make-whole” rewards to new employees to replace the share awards they forfeited when leaving the previous employers;
2. grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
3. grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant as there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, and the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances (*Note i*);

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4. grants that are made in batches during a year for administrative and compliance reasons which may include options/awards that should have been granted earlier but had to wait for a subsequent batch, in such cases, the vesting date may be adjusted to take account of the time from which the options/awards would have been granted if not for such administrative or compliance requirements (*Note ii*); and
5. grants with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of twelve (12) months (*Note iii*).

Notes:

- i. The circumstance where the Company may allow the vesting period to be accelerated upon the fulfilment of performance target(s) include circumstances where the relevant Employee Participant is an exceptional performer who has fulfilled the performance targets in less than 12 months or when the Company recruit and/or retain talented personnel taking into account of business needs of the Group, changing market conditions and industry competition.
- ii. The administrative or compliance requirements refer to, for example, the management team of the Company will only review and assess if any grants should be made to the Employee Participants on a regular basis and make such grants in batches, and there might be delays (i.e. having to wait for a subsequent batch) in rewarding certain Employee Participants for their outstanding performance while going through the administrative process and obtaining necessary approvals that are not connected with the performance of the relevant Employee Participant. The Board considers that a shorter vesting period under such circumstances to reward the Employee Participants for their contributions and performance is fair and reasonable, which is also in consistent with the Listing Rules (and FAQ 092-2022) and arrangement of other listed issuers. Therefore, it is considered appropriate and is in line with the purpose of the 2023 Share Award Plan.
- iii. The Board may consider granting Awards to the Employee Participants in different batches spread evenly over a period of 12 months in circumstances where the Company is optimistic about a certain business/development plan that is a work-in-progress, for the purposes of providing incremental incentives as the business/development continues to develop. Since the reward under in the form of equity incentive materializes incrementally over the 12-month period, it will offer the Group better flexibility to retain Employee Participants for the continual operation and development of the business/development plan of the Group. Therefore, the Company believes that such vesting schedule is reasonable and aligns with the purposes of the 2023 Share Award Plan.

Such discretion gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; or (ii) attract talents or reward exceptional performers with accelerated vesting. These circumstances are also considered by the Stock Exchange to be justifiable reasons for having a shorter vesting period as set out in the Consultation Conclusions. Accordingly, the Directors (including the INEDs) 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 2023 Share Option Scheme and the 2023 Share Award Plan.

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Performance target and clawback mechanism

The rules of the 2023 Share Option Scheme and the 2023 Share Award Plan will give the Board absolute discretion to impose specific performance targets, if any, that must be met before an Option can be exercised or any Award can be granted or to prescribe such clawback mechanism, if any, to recover or withhold any remuneration to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances where appropriate.

If performance targets are imposed, the Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

If a clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the holder of the options/awards, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such holder of the options/awards to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Company considers that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2023 Share Option Scheme and the 2023 Share Award Plan since each Eligible Participant has a different position/role with respect to the Group or the Related Entity and will contribute differently to the Group in nature, duration and significance. While there is no specific performance target prescribed under the rules of 2023 Share Option Scheme and the 2023 Share Award Plan at the outset, the Board may, in respect of each grant of Option/Award and subject to all applicable laws, rules and regulations, determine and specify in the notice of grant such performance target(s) for vesting of the Options/Awards in its sole and absolute discretion considers appropriate in light of the particular circumstances of the Option/Award. By giving maximum flexibility for the Board to impose specific conditions in the notice of grant as and when required, the Board will be able to ensure that all Options/Awards granted will align with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Plan as far as possible.

The Board believes that it is in the best interests of the Company to retain the 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

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contribution. Further, by allowing the Company to grant options/awards under the 2023 Share Option Scheme and 2023 Share Award Plan at a price which will be determined on a fair basis according to market value of the Shares and to impose such clawback mechanism and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the 2023 Share Option Scheme and 2023 Share Award Plan.

Exercise price

The Exercise Price for any Share under the 2023 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 a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a Business Day; (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant option; and (c) the nominal value of a Share on the date of grant.

Whereas the Selected Participants under the 2023 Share Award Plan is not required to pay any purchase price to receive the Awarded Shares comprising an Award which will offer a favourable and accepted means of providing incentive to Selected Participants (as compared to the grant of Options which require option holders to have immediately available funds for payment of subscription prices), and hence, aligns with the purpose of the 2023 Share Award Plan.

5. DOCUMENTS ON DISPLAY

Copies of the 2023 Share Option Scheme and the 2023 Share Award Plan will be published on websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.karrie.com) for a period of not less than 14 days before the date of the Annual General Meeting and will be made available for inspection at the Annual General Meeting.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages AGM-1 to AGM-7 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the

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Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjourned meeting should they so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the adoption of the 2023 Share Option Scheme and the adoption of the 2023 Share Award Scheme. As such, no Shareholder is required to abstain from voting under the Listing Rules on the relevant resolutions to be proposed at the Annual General Meeting.

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the Annual General Meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted upon by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Bye-law 66 of the Bye-laws.

The results of the poll will be published after the conclusion of the Annual General Meeting on the respective websites of the Stock Exchange and the Company.

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.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Details of the Directors proposed to be re-elected at the Annual General Meeting, Appendix III (Summary of the principal terms of the 2023 Share Option Scheme) and Appendix IV (Summary of the principal terms of the 2023 Share Award Plan) to this circular.

LETTER FROM THE BOARD

10. RECOMMENDATION

The Directors consider that the resolutions to be proposed at the Annual General Meeting for (i) granting of the General Mandates to the Directors; and (ii) re-electing the retiring Directors (iii) termination of the 2021 Share Option Scheme and adoption of the 2023 Share Option Scheme; and (iv) adoption of 2023 Share Award Plan, as set out in the notice of the Annual General Meeting are in the best 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 Annual General Meeting.

Yours faithfully,

On behalf of the Board

Karrie International Holdings Limited

Ho Cheuk Fai

Chairman

This appendix serves as the explanatory statement required to be sent to Shareholders by the Listing Rules in connection with the repurchase by companies with a primary listing on the Stock Exchange of their own securities. The intention of this explanatory statement is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Repurchase Mandate to be granted to the Directors.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 2,021,459,200 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 202,145,920 Shares (representing 10% of the total number of issued Shares as at the date of granting of the Repurchase Mandate).

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interest of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. The Directors have no present intention to repurchase any Shares.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on a purchase may only be paid out of either funds of the Company that would otherwise have been available for dividend or distribution or out of the share premium account of the Company.

There might be an 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 March 2023 in the event that the repurchase of

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares 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.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date were as follows:

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
July	1.45	1.37
August	1.43	1.36
September	1.38	1.28
October	1.31	1.15
November	1.35	1.18
December	1.49	1.31
2023		
January	1.50	1.41
February	1.46	1.33
March	1.49	0.85
April	0.92	0.85
May	0.92	0.77
June	0.86	0.74
July (up to the Latest Practicable Date)	0.79	0.71

5. UNDERTAKING

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 and the applicable laws of Bermuda and in accordance with the memorandum of association of the Company and the Bye-laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in Rule 1.01 of the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the Shareholders.

No core connected persons (as defined in Rule 1.01 of the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best knowledge and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, New Sense Enterprises Limited, Castfast Properties Development Co., Ltd., The Wedding City Co., Limited, Mr. Ho Cheuk Fai, Mr. Ho Wai Hon, Mr. Ho Cheuk Ming and Ms. Ho Po Chu (together the "**Concert Group**") were together beneficially interested in 1,480,224,000 Shares, representing approximately 73.23% of the issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the Annual General Meeting, in the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of the Concert Group will be increased to approximately 81.36% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. If the Repurchase Mandate is exercised in full, the number of Shares held by the public would be reduced to less than the minimum public float of 25%. However, the Directors have no present intention to repurchase Shares to such extent.

7. SHARE REPURCHASE MADE BY THE COMPANY

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

As required by the Listing Rules, the following are the particulars of the Directors to be re-elected at the Annual General Meeting:

MS. CHAN MING MUI, SILVIA

Ms. CHAN Ming Mui, Silvia (“**Ms. Chan**”), aged 51, was appointed as an executive Director in November 2010, and is the General Manager — Human Resources and Administration of the Group and responsible for the overall operation of human resources, administration and IT department of the Group. Ms. Chan is one of the members of the Executive Committee and Internal Audit Committee of the Group. She is also the director of certain subsidiaries of the Group. Ms. Chan graduated from The City University of Hong Kong majoring in Public Administration and Management. She also holds a Master of Business Administration from Wrexham Glyndwr University in the United Kingdom. She joined the Group in 1996 and has over 20 years’ experience in administration and management. Save as disclosed above, Ms. Chan does not hold any directorship in other companies listed on the Stock Exchange in the past three years.

So far as the Directors are aware, as at the Latest Practicable Date, Ms. Chan was interested within the meaning of Part XV of the SFO in 6,400,000 Shares. As at the Latest Practicable Date, Ms. Chan had no relationship with any directors, senior management, substantial shareholders nor controlling shareholders of the Company.

According to the service agreement between Ms. Chan and the Company, Ms. Chan is entitled to an annual salary of HK\$948,996.00. During the year ended 31 March 2023, Ms. Chan receives a total amount of HK\$2,808,008.00 as bonuses, including a discretionary performance bonus which is based on her performance during the previous year and which will not exceed her monthly salary from time to time, and a bonus payment with reference to the audited consolidated net profit of the Group for the relevant financial year. Both types of bonuses are to be determined by the Board at its absolute discretion. Ms. Chan’s emoluments are determined by the Board with reference to her experience, performance and duties as well as the prevailing market conditions. The service agreement which is without a fixed period commenced from 1 November 2010 and shall continue thereafter until terminated by either Ms. Chan or the Company giving to the other party not less than three months’ written notice without payment of compensation (other than statutory compensation). After her re-election at the Annual General Meeting, she will continue to serve on the Board until she resigns or is removed and she will be subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws.

The nomination was made by the Board in accordance with the nomination policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information relating to the re-election of Ms. Chan as an executive Director that is required to be disclosed under of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

MR. CHAN RAYMOND

Mr. CHAN Raymond (“**Mr. Chan**”), aged 56, was appointed as an executive Director in June 2016. He is also the Marketing Executive General Manager and a member of the Executive Committee of the Group, responsible for the Group’s marketing and business development. He is also the director of certain subsidiaries of the Group. He joined the Group in 1985 and has over 25 years’ experience in sales and marketing. Save as disclosed above, Mr. Chan has not held any directorship in any listed companies in the last 3 years.

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Chan was interested within the meaning of Part XV of the SFO in 3,922,000 Shares. As at the Latest Practicable Date, Mr. Chan had no relationship with any directors, senior management, substantial shareholders nor controlling shareholders of the Company.

According to the service agreement dated 1 June 2016 between Mr. Chan and the Company, Mr. Chan is entitled to an annual salary of HK\$1,090,500.00. During the year ended 31 March 2023, Mr. Chan received a total amount of HK\$2,341,500.00 as bonuses, including discretionary performance bonus which was based on his performance during the previous year and did not exceed his then monthly salary, and a bonus payment with reference to the audited consolidated net profit of the Group for the relevant financial year, both were determined by the Board at its absolute discretion. Mr. Chan’s emoluments are determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions. The service agreement which is without a fixed period commenced from 1 June 2016 and shall continue thereafter until terminated by either Mr. Chan or the Company giving to the other party not less than three months’ written notice without payment of compensation (other than statutory compensation). After his re-election at the Annual General Meeting, he will continue to serve on the Board until he resigns or is removed and he will be subject to retirement by rotation and reelection at the annual general meeting in accordance with the Bye-laws.

The nomination was made by the Board in accordance with the nomination policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information relating to the re-election of Mr. Chan as an executive Director that is required to be disclosed under of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

MR. HO CHEUK MING

Mr. HO Cheuk Ming (“**Mr. Ho**”), aged 69, was re-designated as a non-executive Director and Deputy Chairman of the Company with effect from 1 May 2011. He is also the director of certain subsidiaries of the Group. Mr. Ho Cheuk Ming was appointed as an executive Director of the Company from October 1996 to 31 May 2007, and was a Deputy Chairman and Chief Operation Officer as well as the Convener of the Executive Committee of the Group. He was re-designated as a non-executive Director of the Company with effect from 1 June 2007. He is responsible for the overall supervision of the Group’s operation business. He joined the Group in 1980 and has over 20 years’ experience in factory production. He is also the brother of Mr. Ho Cheuk Fai, who is one of the executive Directors, the Chairman and the Chief Executive Officer of the Company, the brother-in-law of Ms. Ho Po Chu, who is a member of the senior management team and father of Mr. Ho Kai Man (one of the non-executive directors). Save as disclosed above, Mr. Ho has not held any directorship in any listed companies in the last 3 years.

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Ho Cheuk Ming was interested within the meaning of Part XV of the SFO in 829,008,000 Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Ho had no relationship with any Directors, senior management, substantial Shareholders nor controlling Shareholders of the Company.

According to the service agreement between Mr. Ho and the Company, Mr. Ho is entitled to an annual salary of HK\$220,000. Mr. Ho’s emoluments are determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions. He is also eligible for a performance-based bonus HK\$20,000.00. The service agreement which is without a fixed period commenced from 1 May 2011 and shall continue thereafter until terminated by either Mr. Ho or the Company giving to the other party not less than three months’ written notice without payment of compensation (other than statutory compensation). After his re-election at the Annual

General Meeting, he will continue to serve on the Board until he resigns or is removed and he will be subject to retirement by rotation and reelection at the annual general meeting in accordance with the Bye-laws.

The nomination was made by the Board in accordance with the nomination policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information relating to the re-election of Mr. Ho as a non-executive Director to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

PRINCIPAL TERMS OF 2023 SHARE OPTION SCHEME

The following is a summary of the principal terms of the 2023 Share Option Scheme to be adopted by way of ordinary resolution at the Annual General Meeting, save that this Appendix does not and is not intended to form part of the 2023 Share Option Scheme, nor is deemed to form an interpretation affecting the rules of the 2023 Share Option Scheme.

1. PURPOSE OF THE 2023 SHARE OPTION SCHEME

- (a) The 2023 Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that Eligible Participants (as defined under paragraph (c) below) had made or may make to the Group.
- (b) The 2023 Share Option Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:
 - (i) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
 - (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.
- (c) For the purpose of the 2023 Share Option Scheme, “Eligible Participants” means any person who satisfies the eligibility criteria in paragraph 2 below.

2. WHO MAY JOIN AND BASIS FOR DETERMINING ELIGIBILITY

- (a) The Board may at its discretion grant Options to any (i) Employee Participant; (ii) Related Entity Participant; and (iii) Service Provider.
- (b) In order for a person to satisfy the Board that he/she/it is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his/her/its eligibility (or continuing eligibility).

- (c) Each grant of Options to a Connected Person of the Company or any of his/her/its Associate must be approved by the independent non-executive Directors of the Company (excluding any such independent non-executive Directors who is a proposed Grantee of an Option) and in accordance with the requirements of the Listing Rules.

- (d) Any person whom the Board has resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Option granted to him remains outstanding. In determining the Options to be granted to any Grantee, the Board shall consider, including but not limited to, the following matters:
 - (i) the present and expected contribution of the relevant Grantee to the profits of the Group;

 - (ii) the general financial condition of the Group;

 - (iii) the Group's overall business objectives and future development plan; and

 - (iv) any other matter which the Board considers relevant.

- (e) In addition and without prejudice to paragraph (d) only Service Providers of the following categories may qualify as Grantee:
 - (i) supplier of products or services, including suppliers, advisers, consultants, agents or other professional firms with expertise in the research, development, production, marketing and/or sales. 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 and frequency of products and/or services supplied; (ii) the reliability and quality of products and/or services supplied; and (iii) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period); or

- (ii) business partners, including distributors, joint venture partners or other contractual parties, which may be entities that collaborate with the Group on continuing or discrete consulting projects. When considering eligibility of, and terms of Grant to the Service Providers under this category, the Board will consider, among other things: (a) the nature, scope and frequency of products and/or services supplied; (b) the reliability and quality of products and/or services supplied; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration, the contract value and the number or variety of deliverables produced from such engagement for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period),

who are, or anticipated to be going forward, significant suppliers of products or services or business partners, or otherwise significant to the Group's business. Such persons may be remunerated with equity incentives to align the long-term interests of such persons 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:

- (i) the type(s) of services the Service Provider had performed for the Group in the past;
- (ii) the industry experience of the Service Provider;
- (iii) the period of engagement of the Service Provider; and
- (iv) the Service Provider's contribution and/or future contribution to the development and growth of the Group with reference to, among other metrics, research and development, engineering or technical contribution, the design, development, manufacturing or distribution of products/services provided by the Group, or otherwise will contribute significantly to the growth of the Group's financial or business performance, based on quantitative performance indicators to be determined by the Board or the Committee on a case-by-case basis. For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

3. GRANT OF OPTIONS

- (a) On and subject to the terms of the 2023 Share Option Scheme, the Board shall be entitled at any time on a Business Day within 10 years commencing on the effective date of the 2023 Share Option Scheme to offer the grant of an Option to any Eligible Participants as the Board may in its absolute discretion select in accordance with the eligibility criteria as set out in paragraph 2 above.
- (b) An offer shall be deemed to have been accepted and an Option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when the Company, within 21 days from the date on which an Option is offered to an Eligible Participant, receives the duly signed offer letter from the Grantee together with the number of Shares in respect of which the offer is accepted clearly stated therein and a non-refundable payment of HK\$1.00 (or such other sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof.
- (c) Subject to the provisions of the 2023 Share Option Scheme, the Listing Rules and other applicable rules and regulations, the Board may, on a case by case basis and at its discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the 2023 Share Option Scheme as it may think fit (which shall be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing):
- (i) the continuing eligibility of the Grantee under the 2023 Share Option Scheme, and in particular, where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria, the Option (to the extent it has not already been exercised) shall lapse;
 - (ii) the continuing compliance of any such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent it has not already been exercised) will lapse unless otherwise resolved to the contrary by the Board;
 - (iii) in the event that the Eligible Participant is a corporation (whether incorporated or unincorporated), that any material change of the management and/or shareholding of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the 2023 Share Option Scheme;

- (iv) in the event that the Eligible Participant is a trust, that any change of the beneficiary of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the 2023 Share Option Scheme;
 - (v) in the event that the Eligible Participant is a discretionary trust, that any material change of the discretionary objects of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the 2023 Share Option Scheme;
 - (vi) conditions, restrictions or limitations relating to the achievement of operating or financial targets; and
 - (vii) if applicable, the satisfactory performance of certain obligations by the Grantee.
- (d) Without prejudice to the generality of the foregoing and subject to the Listing Rules and paragraph 5, the Board may grant Options in respect of which the Exercise Price for the Shares under the 2023 Share Option Scheme is fixed at different prices for different periods during the applicable Option period.
- (e) The Options held by Grantees are not equal to the Shares and do not confer the rights related to voting, share allotment and dividends.

4. GRANT OF OPTIONS TO CONNECTED PERSONS

Without prejudice to paragraph 3, any grant of Options to any Director, Chief Executive or Substantial Shareholder or any their respective Associates must be approved by all of the independent non-executive Directors excluding, for all purposes, any independent non-executive Director who is a proposed Grantee.

Where any grant of Options to an independent non-executive Director or a Substantial Shareholder, or any of their respective Associates, would result in the total number of the Shares issued and to be issued in respect of all options (including the Options) an awards granted to such person under the 2023 Share Option Scheme and all other share schemes in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of Options must be approved by the Shareholders of the Company in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour at such general meeting. The Company must send a circular to its shareholders containing the information required under the Listing Rules.

5. EXERCISE PRICE

The Exercise Price for any Share under the 2023 Share Option Scheme will be a price determined by the Board at its absolute discretion and notified to each Grantee and will be not less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a Business Day; (ii) an amount equivalent to the average closing price of the Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant Option; and (iii) the nominal value of a Share on the date of the grant. The Exercise Price shall also be subject to any adjustments made in a situation contemplated under paragraph 11.

6. MAXIMUM NUMBER OF SHARES

- (a) Subject to paragraph (d), the maximum number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”).
- (b) Subject to paragraph (a) above, the maximum number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share schemes to Service Providers must not, in aggregate exceed 1% of the number of Shares in issue as at the Adoption Date (the “**Service Provider Sub-limit**”).
- (c) The Board may seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.
- (d) The Company may seek approval by the Shareholders in general meeting for refreshing the Overall Scheme Limit and the Service Provider Sub-limit after three (3) years from the date of the first Shareholders' approval for such limits or for the last refreshment (as the case may be). Any refreshment within any three-year period must be approved by the Shareholders, with 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) abstaining from voting in favour of the relevant resolution at the general meeting. The total number of

Shares which may be issued in respect of all options and awards to be granted under all of the share scheme(s) under the scheme mandate as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed scheme mandate.

- (e) The maximum number of Shares issued or to be issued in respect of all options and awards granted to a Grantee at any one time or in aggregate under the 2023 Share Option Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12- month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (the “**Individual Limit**”). Where any Grant to a Grantee may result in exceeding the Individual Limit, the Company shall not grant such Options unless it is separately approved by the Shareholders in general meeting, with such Grantee and his close associates (or Associates if the Grantee is a Connected Person) abstaining from voting.
- (f) The maximum number of Shares referred to in this paragraph shall be adjusted, in such manner as the auditors of the Company or the independent financial adviser of the Company shall certify as fair and reasonable in accordance with paragraph 11 below.

7. TIME OF EXERCISE OF OPTION

- (a) Subject to certain restrictions contained in the 2023 Share Option Scheme, an Option may be exercised in accordance with the terms of the 2023 Share Option Scheme and the terms of grant thereof at any time during the applicable Option period, which is not more than 10 years from the date of grant of Option.
- (b) There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the 2023 Share Option Scheme. However, at the time of granting any Option, the Board may, on a case-by-case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the Options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

8. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option (where the Grantee is a company, any

change of its major shareholder or any substantial change in its management as determined by the Board at its sole discretion will be deemed to be a sale or transfer of interest as aforesaid, if so determined by the Board at its sole discretion). Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised.

9. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT

Where an Option was granted subject to certain continuing conditions, restrictions or limitations on the Grantee's eligibility and the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent it has not already been exercised) shall lapse.

10. RIGHTS ON DEATH/CEASING EMPLOYMENT

- (a) If the Grantee (being an individual) dies before exercising the Option in full, his or her legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent exercisable as at the date of his/her death and not exercised) within a period of 12 months following his/her death or such longer period as the Board may determine.
- (b) Subject to sub-paragraphs (c) and (d), in the event of the Grantee who is an Employee Participant ceasing to be an Employee Participant for any reason other than his/her death, disability or the termination of his/her employment on one or more of the grounds specified in paragraph 16(f), the Grantee may exercise the Option (to the extent exercisable as at the date of the relevant event and not exercised) within 30 days following such cessation.
- (c) If the Grantee is an Employee Participant at the time of the grant of the relevant Option(s) and his/her employment or service to the Company is terminated on the ground of disability, the Grantee may exercise the Option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee Participant) within 6 months following such cessation or such longer period as the Board may determine.
- (d) If the Grantee is an Employee Participant at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee Participant but becomes, or continues to be, a Related Entity Participant or a Service Provider, then the

Option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee Participant and not exercised) shall be exercised within 3 months following the date of such cessation or such longer period as the Board may determine.

- (e) If the Grantee is a Related Entity Participant or a Service Provider but not an Employee Participant, in the event that such Grantee shall cease to be a director or an employee of the Related Entity or cease to be a director, consultant, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group for any reason other than his/her death (in the case of a Grantee being an individual) or disability, then the Option(s) (to the extent exercisable as at the date of such cessation and not exercised) shall be exercised within thirty (30) days following the date of such cessation or such longer period as the Board may determine.

11. EFFECTS OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the 2023 Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the independent financial adviser appointed by the Company or the auditors to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the 2023 Share Option Scheme relates;
- (b) the Exercise Price of any Option; and/or
- (c) (insofar as it is/they are unexercised, unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option,

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

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled rounded to the nearest whole share;
- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value (if any);

- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) 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 respect of any adjustment referred to in paragraph 11, other than any adjustment made on a capitalisation issue, the independent financial adviser or the Auditors must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

12. RIGHTS ON A TAKEOVER

If a general offer (whether by way of takeover 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 concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeovers Code), the Grantee shall be entitled to exercise the Option (to the extent exercisable as at the date on which the general offer becomes or is declared unconditional and not exercised) in full or in part at any time within one month after the date on which the offer becomes or is declared unconditional (within the meaning of the Takeovers Code).

13. RIGHTS ON A SCHEME OF ARRANGEMENT

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme of arrangement, and thereupon the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

14. RIGHTS ON A VOLUNTARY WINDING UP

In the event notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

15. RIGHTS ATTACHING TO SHARES UPON EXERCISE OF AN OPTION

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the bye-laws of the Company for the time being in force as at the allotment date and shall rank pari passu in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the allotment 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 on or before the allotment date. Any Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered into the register of members of the Company as the holder thereof.

16. LAPSE OF OPTIONS

An Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of the periods referred to in paragraph 10;
- (c) the date of commencement of the winding-up of the Company;

- (d) the date on which the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 13;
- (e) the date on which the Grantee ceases to be an Eligible Participant due to the following reasons:
 - (i) the Grantee's service or employment with the Group has been terminated by any member of the Group, any Related Entity or any Service Provider for cause, and "cause" means:
 - (1) dishonesty or serious misconduct, whether or not in connection with his/her employment; willful disobedience or non-compliance with the terms of his/her employment or service contract with any member of the Group, any Related Entity, any Service Provider or any lawful orders or instructions given by any member of the Group, any Related Entity or any Service Provider as the case may be;
 - (2) incompetence or negligence in the performance of his/her duties; or
 - (3) doing anything in the conclusive opinion of the Board adversely affects his/her ability to perform his/her duties properly or brings the Company or the Group, any Related Entity or any Service Provider into disrepute;
 - (ii) the Grantee has been summarily dismissed by any member of the Group, any Related Entity or any Service Provider;
 - (iii) the Grantee has been convicted for any criminal offence involving his/her integrity or honesty;
 - (iv) the Grantee has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or
 - (v) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on one part and any member of the Group on the other part or has any legal dispute with the Company as the Board may in its absolute discretion determine;

- (f) the happening of any of the following events, unless otherwise waived by the Board:
 - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the grantee (being a corporation);
 - (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within a meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any similar provisions under the Companies Law) or otherwise become insolvent;
 - (iii) there is unsatisfied judgment, order or award outstanding against the Grantee or the Company has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
 - (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above;
 - (v) a bankruptcy order has been made against the grantee or any Director of the Grantee (being a corporation) in any jurisdiction; or
 - (vi) a petition for bankruptcy has been presented against the Grantee or any Director of the Grantee (being a corporation) in any jurisdiction;
- (g) the date on which a situation as contemplated under paragraph 8 arises;
- (h) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; or
- (i) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed pursuant to paragraph 9.

17. CANCELLATION OF OPTIONS

17.1 Any Options granted but not exercised may be cancelled by the Board and such cancellation is recommended by the remuneration committee of the Company. Any Options granted but subsequently renounced by the Grantee may be cancelled by the Board.

17.2 If an Option is cancelled under paragraph 17.1, the Grantee shall not be entitled to any compensation from the Company.

17.3 Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Option may only be made with available but unissued Shares in the authorised share capital of the Company, and available ungranted Options (excluding for this purpose all the cancelled Options) within the limits referred to in paragraph 6.

18. PERIOD OF THE 2023 SHARE OPTION SCHEME

Options may be granted to Eligible Participants under the 2023 Share Option Scheme during the period of 10 years commencing on the effective date of the 2023 Share Option Scheme.

19. ALTERATION TO 2023 SHARE OPTION SCHEME AND TERMINATION

(a) The 2023 Share Option Scheme may be altered in any respect by a resolution of the Board except that those specific provisions relating to matters contained in Chapter 17 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting.

(b) Any alteration to the terms and conditions of the 2023 Share Option Scheme which is of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.

(c) The Company by resolution in general meeting or the Board may at any time terminate the operation of the 2023 Share Option Scheme and in such event no further Options will be offered but the provisions of the 2023 Share Option Scheme shall remain in force in all other respects. In particular, all Share Options granted prior to such termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the 2023 Share Option Scheme.

- (d) The amended terms of the 2023 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Board in relation to any alteration to the terms of the 2023 Share Option Scheme must first be approved by the Shareholders in general meeting.
- (f) Any change to the terms of Options granted must be approved by the Board, the remuneration committee, the independent non-executive Director and/or the Shareholders if the initial Options were approved by the Board, the remuneration committee, the independent non-executive Director and/or the Shareholders (as the case may be). The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme. For the avoidance of doubt, each of the Scheme Mandate Limit and the Service Provider Sub-limit can be refreshed, which is subject to prior approval from the Shareholders as specified in the provisions of the 2023 Share Option Scheme above.

20. DEALING RESTRICTIONS

The Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Board shall not grant any Options during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the 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
- (b) 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 announcements.

No Options shall be granted during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Option may be granted.

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any of the securities of the Company (and no Options may be granted to a Director) at any time when he possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules.

A Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of the Model Code. In any event, the director must comply with the procedure in rules B.8 and B.9 of the Model Code.

The following is a summary of the principal terms of the 2023 Share Award Plan to be adopted by way of ordinary resolution at the Annual General Meeting, save that this Appendix does not and is not intended to form part of the 2023 Share Award Plan, nor is deemed to form an interpretation affecting the rules of the 2023 Share Award Plan.

1. PURPOSE OF THE 2023 SHARE AWARD PLAN

- (a) The purpose and objective of the 2023 Share Award Plan is: (i) to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to provide incentives in order to retain them for continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.
- (b) For the purpose of the 2023 Share Award Plan, “Eligible Participants” means any person who satisfies the eligibility criteria in paragraph 2 below.

2. WHO MAY JOIN AND BASIS FOR DETERMINING ELIGIBILITY

- (a) The Board may at its discretion grant an Award to any (i) Employee Participant; (ii) Related Entity Participant; and (iii) Service Provider.
- (b) In order for a person to satisfy the Board that he/she/it is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his/her/its eligibility (or continuing eligibility).
- (c) Each Award to a Connected Person of the Company or any of his/her/its Associate must be approved by the independent non-executive Directors of the Company (excluding any such independent non-executive Directors who is a proposed Selected Participant of an Award) and in accordance with the requirements of the Listing Rules.
- (d) In determining the Awarded Shares to be granted to any Selected Participant, the Board shall consider, including but not limited to, the following matters:
 - (i) the present and expected contribution of the relevant Selected Participant to the profits of the Group;
 - (ii) the general financial condition of the Group;

- (iii) the Group's overall business objectives and future development plan; and
 - (iv) any other matter which the Board considers relevant.
- (e) In addition and without prejudice to paragraph (d) only Service Providers of the following categories may qualify as Selected Participants:
- (i) supplier of products or services, including suppliers, advisers, consultants, agents or other professional firms with expertise in the research, development, production, marketing and/or sales. When considering eligibility of, and terms of Award to the Service Providers under this category, the Board will consider, among other things: (i) the nature, scope and frequency of products and/or services supplied; (ii) the reliability and quality of products and/or services supplied; and (iii) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period); or
 - (ii) business partners, including distributors, joint venture partners or other contractual parties, which may be entities that collaborate with the Group on continuing or discrete consulting projects. When considering eligibility of, and terms of Award to the Service Providers under this category, the Board will consider, among other things: (a) the nature, scope and frequency of products and/or services supplied; (b) the reliability and quality of products and/or services supplied; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration, the contract value and the number or variety of deliverables produced from such engagement for the relevant engagement period (or the corresponding growth rate comparing with that of the preceding period),

who are, or anticipated to be going forward, significant suppliers of products or services or business partners, or otherwise significant to the Group's business. Such persons may be remunerated with equity incentives to align the long-term interests of such persons 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:

- (i) the type(s) of services the Service Provider had performed for the Group in the past;
- (ii) the industry experience of the Service Provider;
- (iii) the period of engagement of the Service Provider; and
- (iv) the Service Provider's contribution and/or future contribution to the development and growth of the Group with reference to, among other metrics, research and development, engineering or technical contribution, the design, development, manufacturing or distribution of products/services provided by the Group, or otherwise will contribute significantly to the growth of the Group's financial or business performance, based on quantitative performance indicators to be determined by the Board or the Committee on a case-by-case basis. For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

3. ADMINISTRATION AND OPERATION

The Plan shall be subject to the administration of the Board whose decisions on all matters arising in relation to the Plan or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice (i) the powers of the trustee as provided under the trust deed; and (ii) the powers of the remuneration committee or any other committee with proper authority on recommending and/or deciding the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under the 2023 Share Award Plan.

The Trustee may, at any time during the continuation of the plan and the trust deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee (or a special purpose vehicle as authorised by the Trustee) pursuant to the trust deed (the "**Shares Pool**"). The Board shall, in accordance with the rules of the 2023 Share Award Plan, be entitled to, at any time during the continuation of the 2023 Share Award Plan, make an award out of the Shares Pool to any of the Eligible Participants (excluding any excluded participant) such number of issued Shares, fully paid or credited as fully paid, as the Board shall determine pursuant to the 2023 Share Award Plan.

The Board shall notify the Trustee by an Award Notice upon the making of an Award under the Plan together with, among other matters, (i) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award; (ii) the earliest vesting date and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant; and (iii) the condition(s) and/or performance target(s), if any, as the Board may determine in its absolute discretion that must be attained or satisfied by the relevant Selected Participant before the Awarded Shares may be transferred to and vested in such Selected Participant.

The Board shall notify the Selected Participant in writing after an Award has been provisionally made to such Selected Participant and the notice shall contain substantially the same information as that set out in the Award Notice, such as details of the Selected Participant, number of Awarded Shares, earliest vesting date, retention ratio, condition or performance targets, any lock-up periods etc. An Award shall be deemed to be irrevocably accepted by a Selected Participant on the date of notice notifying such Selected Participant of an Award unless within 5 Business Days after receipt of such notice, the Selected Participant notifies the Company in writing declining such award.

Upon the receipt of an Award Notice, the Trustee shall set aside from the Shares Pool the Awarded Shares provisionally awarded to the Selected Participant to whom such Award Notice relates pending the transfer and vesting of the Awarded Shares under the Award to which such Award Notice relates.

Pursuant to the rules of the 2023 Share Award Plan, the Trustee may purchase existing Shares, via on-market transactions, and/or subscribe for new Shares, each using funds allocated by the Board out of the Company's resources and/or gift contributions (whether cash or Shares) from third parties, and such purchases shall not be made with any Connected Person. The Trustee may not subscribe for Shares or purchase Shares where there are no Selected Participants. In the event that the Trustee effects any purchases by on-market transactions, the Trustee shall purchase existing Shares at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board).

4. VESTING OF AWARDED SHARES

Subject to any general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner being made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror) becoming or being declared unconditional prior to

the vesting of the Awarded Shares and lapsing of an Award as provided in the section headed “Lapse of Award” below, the Trustee shall transfer and vest in any Selected Participant, at nil consideration the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of: (i) the earliest vesting date as specified in the Award Notice to which such Award relates; and (ii) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or satisfied by such Selected Participant as specified in the related Award Notice have been attained or satisfied and notified to the Trustee by the Board in writing.

In respect of a Selected Participant who (i) died, (ii) (in the case of a Selected Participant who is an Employee Participant) retired at his normal retirement date or, (iii) (in the case of a Selected Participant who is an Employee Participant) retired at an earlier retirement date (with prior written agreement given by the Group), all the Awarded Shares of the Selected Participant shall be deemed to be vested on him (i) on the day immediately prior to his death, (ii) on the day immediately prior to his normal retirement date or, (iii) on the day immediately prior to his earlier retirement date, respectively.

5. LAPSE OF AWARD AND RETURNED SHARES

Any Award made to Selected Participant(s) shall lapse forthwith and be cancelled on the earliest of the following events (unless the Board otherwise determines not to consider such an Award to have lapsed) (each of the below, an event of “**Total Lapse**”), the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the 2023 Share Award Plan:

- (a) the date of commencement of the winding-up of the Company;
- (b) the date on which the proposed compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company becomes effective;
- (c) the date on which the Selected Participant ceases to be an Eligible Participant due to the following reasons:
 - (i) the Selected Participant’s service or employment with the Group has been terminated by any member of the Group, any Related Entity or any Service Provider for cause, and “cause” means:

- (1) dishonesty or serious misconduct, whether or not in connection with his/her employment; willful disobedience or non-compliance with the terms of his/her employment or service contract with any member of the Group, any Related Entity, any Service Provider or any lawful orders or instructions given by any member of the Group, any Related Entity or any Service Provider as the case may be;
 - (2) incompetence or negligence in the performance of his/her duties; or
 - (3) doing anything in the conclusive opinion of the Board adversely affects his/her ability to perform his/her duties properly or brings the Company or the Group, any Related Entity or any Service Provider into disrepute;
- (ii) the Selected Participant has been summarily dismissed by any member of the Group, any Related Entity or any Service Provider;
 - (iii) the Selected Participant has been convicted for any criminal offence involving his/her integrity or honesty;
 - (iv) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or
 - (v) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group on the other part or has any legal dispute with the Company as the Board may in its absolute discretion determine;
- (d) the happening of any of the following events, unless otherwise waived by the Board:
 - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the Selected Participant (being a corporation);

- (ii) the Selected Participant (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within a meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any similar provisions under the Companies Law) or otherwise become insolvent;
 - (iii) there is unsatisfied judgment, order or award outstanding against the Selected Participant or the Company has reason to believe that the Selected Participant is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
 - (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above;
 - (v) a bankruptcy order has been made against the Selected Participant or any Director of the Selected Participant (being a corporation) in any jurisdiction; or
 - (vi) a petition for bankruptcy has been presented against the Selected Participant or any Director of the Selected Participant (being a corporation) in any jurisdiction;
- (e) the date on which the Selected Participant commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; or
- (f) the date on which the Board resolves that the Selected Participant has failed or otherwise is or has been unable to meet the continuing eligibility criteria.

In the event (i) a Selected Participant is found to be an excluded participant or (ii) (subject to other requirements in the event of the death of a Selected Participant) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or such later date as may be determined by the Trustee at its sole and absolute discretion having to all relevant circumstances) for the relevant Awarded Shares within the stipulated period (whether in the ordinary vesting pursuant to the vesting timetable set out in the plan rules or on such other dates as provided in or determined in accordance with the plan rules) (each of these, an event of “**Partial Lapse**”), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the 2023 Share Award Plan.

The Trustee shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any excluded employees) as the Board shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

6. VOTING AND OTHER RIGHTS

The Trustee shall not exercise the voting rights in respect of any Shares held by them for the purpose of the Plan. The Selected Participants shall not have any right to receive any Awarded Shares or any other distributions attributable thereto unless and until the Trustee has transferred and vested the beneficial ownership of such Awarded Shares to and in the Selected Participants.

7. MAXIMUM NUMBER OF SHARES

- (a) Subject to paragraph (f), the maximum number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Award Plan and any other share schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date (the “**Plan Mandate Limit**”).
- (b) Subject to paragraph (a) above, the maximum number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Award Plan and any other share schemes to Service Providers must not, in aggregate exceed 1% of the number of Shares in issue as at the Adoption Date (the “**Service Provider Sub-limit**”).
- (c) The Board may seek separate Shareholders’ approval in general meeting to grant Awards beyond the Plan Mandate Limit provided that the Awards in excess of the Plan Mandate Limit are granted only to the Eligible Participants specified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.
- (d) The Company may seek approval by the Shareholders in general meeting for refreshing the overall Plan Mandate Limit and the Service Provider Sub-limit after three (3) years from the date of the first Shareholders’ approval for such limits or for the last refreshment (as the case may be). Any refreshment within any three-year period must be approved by the Shareholders, with 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) abstaining from voting in favour of the relevant resolution at the general meeting. The

total number of Shares which may be issued in respect of all options and awards to be granted under all of the share scheme(s) under the scheme mandate as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed scheme mandate.

- (e) The maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under the 2023 Share Award Plan and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (the “**Individual Limit**”). Where any Award to a Selected Participant may result in exceeding the Individual Limit, the Company shall not grant such Options unless it is separately approved by the Shareholders in general meeting, with such Selected Participant and his close associates (or Associates if the Selected Participant is a Connected Person) abstaining from voting.
- (f) Where any Award to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of his associates would result in the Shares issued and to be issued in respect of all awards granted to such person under the 2023 Share Award Plan and all other share award plans (excluding any awards lapsed in accordance with the terms of the respective share award plans) in any 12- month period up to and including the date of such relevant grant, representing in aggregate over 0.1% of the issued share capital of the Company, such further Award must be approved by the Shareholders in general meeting, with such Selected Participant, his associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.
- (g) Where any Award to an independent non-executive Director or substantial shareholder of the Company, or any of his associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the 2023 Share Award Plan and all other share schemes (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company, such Award must be approved by the Shareholders in general meeting, with such Selected Participant, his associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

- (h) The maximum number of Shares referred to in this paragraph shall be adjusted, in such manner as the auditors of the Company or the independent financial adviser of the Company shall certify as fair and reasonable in accordance with paragraph 9 below.

8. RIGHTS ARE PERSONAL TO SELECTED PARTICIPANT

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so provided that the Selected Participant may assign the Award to a company beneficially wholly-owned by the Selected Participant. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant.

9. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company, such as capitalisation issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company, the Board may make equitable adjustments that it considers appropriate, at its sole discretion, including:

- (a) make arrangements for the grant of substitute Awarded Shares of equivalent fair value to an award in the purchasing or surviving company;
- (b) reach such accommodation with the Selected Participant as it considers appropriate, including the payment of cash compensation to the Selected Participant equivalent to the fair value to an Awarded Share to the extent not vested; or
- (c) permit the continuation of an Awarded Share in accordance with its original terms. For the avoidance of doubt, the issue of securities by the Company as consideration in a transaction may not be regarded as a circumstance requiring such equitable adjustments.

Any equitable adjustments required above must give the Selected Participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that Selected Participant was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). In respect of any such equitable

adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this paragraph.

10. RIGHTS ATTACHING TO SHARES UPON VESTING OF AWARD

The Shares to be allotted and issued upon the vesting of the Award shall be subject to all the provisions of the bye-laws of the Company for the time being in force as at the allotment date and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date when such Awarded Shares are vested and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the allotment 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 on or before the allotment date. A holder shall have no rights (including any right to dividend or other distribution) in respect of Shares subject to the Award until the Shares are allotted and issued to him/her under the terms of the 2023 Share Award Plan.

11. CANCELLATION OF AWARDS

11.1 Any Awards granted may be cancelled or forfeited by the Board and such cancellation is recommended by the remuneration committee of the Company. Any Awards granted but subsequently renounced by the Selected Participants may be cancelled by the Board.

11.2 If an Award is cancelled under paragraph 11.1, the relevant Selected Participants shall not be entitled to any compensation from the Company.

11.3 Where the Company cancels and/or forfeits Awards and makes a new grant to the same Selected Participant, such new grant may only be made under the 2023 Share Award Plan within the available Plan Mandate Limit and Service Provider Sub-limit. The Awards cancelled and/or forfeited will be regarded as utilised for the purpose of calculating the Plan Mandate Limit and the Service Provider Sub-limit.

12. PERIOD OF THE 2023 SHARE AWARD PLAN

The 2023 Share Award Plan shall be valid and effective for a term of ten (10) years commencing from the Adoption Date.

13. ALTERATION TO 2023 SHARE AWARD PLAN AND TERMINATION

- (a) Subject to paragraphs 13(b), (c) and (d), the rules of the 2023 Share Award Plan may be altered by the prior sanction of a resolution passed by the Board together with the prior written consent of the Trustee.
- (b) Any alteration, amendment or waiver to the 2023 Share Award Plan (i) of a material nature; (ii) relates to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board or Trustee to alter the 2023 Share Award Plan, shall be approved by the Shareholders. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material, and such determination shall be conclusive.
- (c) Any change to the terms of Awarded Shares granted must be approved by the Board, the remuneration committee, the independent non-executive Director and/or the Shareholders if the initial Awarded Shares was approved by the Board, the remuneration committee, the independent non-executive Director and/or the Shareholders (as the case may be). The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the 2023 Share Award Plan. For the avoidance of doubt, each of the Plan Mandate Limit and the Service Provider Sub-limit can be refreshed, which is subject to prior approval from the Shareholders as specified in the provisions of the 2023 Share Award Plan above.
- (d) The 2023 Share Award Plan may be altered in any respect by a resolution of the Board except that those specific provisions relating to matters contained in Chapter 17 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting.

14. TERMINATION

- (a) The 2023 Share Award Plan shall terminate on the earlier of the 10th anniversary date of the Adoption Date and such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.
- (b) If, at the date of the termination of the 2023 Share Award Plan, the Trustee holds any Shares which has not been set aside in favour of any Selected Participant or retains any unutilised funds, then the Trustee shall, within thirty (30) Business Days of receiving

actual notice of such termination (or such longer period as the Board may otherwise determine), sell such Shares and forthwith after the sale remit the proceeds of sale together with such unutilised funds to the Company.

- (c) Upon termination of the 2023 Share Award Plan:
- (i) (1) no further grant of Award or Awarded Shares may be made under the 2023 Share Award Plan; and (2) all the Awards of the Selected Participant granted under the 2023 Share Award Plan shall continue to be valid and effective and become vested in the Selected Participant according to the terms and conditions of the Award;
 - (ii) Returned Shares and such non-cash income remaining in the trust fund (but not constituting to other distributions attributable to any particular Selected Participants) shall be sold by the Trustee, within thirty (30) Business Days of receiving actual notice of such termination of the 2023 Share Award Plan (or such longer period as the Board may otherwise determine);
 - (iii) Residual Cash, net proceeds of sale referred to in subparagraph (ii) above and such other funds remaining in the trust constituted by the Trust Deed shall be remitted to the Company forthwith after the sale.

15. DEALING RESTRICTIONS

The Board shall not grant any Awards after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Board shall not grant any Awards nor instruct the Trustee to acquire Shares for the Directors and other awardees during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the 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
- (b) 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 announcements.

No Awards shall be granted and no instruction may be given to the Trustee to acquire Shares for the Directors and other awardees during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Award may be granted.

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any of the securities of the Company (also, no Awards may be granted to a Director and no instruction may be given to the Trustee to acquire Shares for the Directors and other awardees) at any time when he possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules.

A Director must not deal in any securities of the Company (also, no Awards may be granted to a Director and no instruction may be given to the Trustee to acquire Shares for the Directors and other awardees) on any day on which its financial results are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of the Model Code. In any event, the director must comply with the procedure in rules B.8 and B.9 of the Model Code.

NOTICE OF ANNUAL GENERAL MEETING



Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Karrie International Holdings Limited (the “**Company**”) will be held at 1st Floor, Grand Ballroom, Castfast Hotel, 12 Castfast Road, Guan Jing Tou, Feng Gang, DongGuan, GuangDong, PRC on Wednesday, 30 August 2023 at 12:00 noon for the purpose of transacting the following businesses:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and the auditors of the Company for the year ended 31 March 2023.
2. To consider and declare a final dividend for the year ended 31 March 2023.
- 3A. (i) To re-elect Ms. Chan Ming Mui, Silvia as an executive Director;
(ii) To re-elect Mr. Chan Raymond as an executive Director;
(iii) To re-elect Mr. Ho Cheuk Ming as a non-executive Director.
- 3B. To authorise the board (the “**Board**”) of Directors to fix the remuneration of the Directors;
4. To re-appoint Messrs. KPMG as the auditors of the Company and authorise the Board to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

5A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which 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 (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time or on the exercise of any options granted under the share option scheme of the Company or an issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws (the **“Bye-laws”**) of the Company, shall not exceed 20 per cent. of the number of issued Shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; 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 any applicable law or the Bye-laws to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

NOTICE OF ANNUAL GENERAL MEETING

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

5B. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; 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 any applicable law or the Bye-laws to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

5C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 5A and 5B of the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in paragraph 5A of the notice convening this meeting be and is hereby extended by the addition to the aggregate number of Shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 5B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate number of issued Shares of the Company as at the date of passing this resolution.”

6. “**THAT:**

- (a) subject to and conditional upon the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the share option scheme of the Company (the “**2023 Share Option Scheme**”), a copy of which is tabled at the AGM marked “A” and signed by the chairman of the AGM for the purpose of identification, the 2023 Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take all such acts and enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to implement or give full effect to the 2023 Share Option Scheme;
- (b) the Scheme Mandate Limit (as defined in the 2023 Share Option Scheme) of 10% of the number of Shares in issue as at the date of passing of this resolution be and is hereby approved and adopted; and
- (c) conditional upon the 2023 Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 24 August 2021 (the “**2021 Share Option Scheme**”) be and is hereby terminated (without prejudice to the rights and benefits of and attached to any outstanding options which have been

NOTICE OF ANNUAL GENERAL MEETING

granted under the 2021 Share Option Scheme prior to the date of the passing of this resolution).”

7. **“THAT:**

(a) subject to and conditional upon the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the share awards which may be granted under the share award plan of the Company (the **“2023 Share Award Plan”**) and the rules thereunder, a copy of which is tabled at the AGM marked “B” and signed by the chairman of the AGM for the purpose of identification, the 2023 Share Award Plan be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the share awards which may be granted thereunder and the rules thereunder and to take all such acts and enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to implement or give full effect to the 2023 Share Award Plan; and

(b) the Plan Mandate Limit (as defined in the 2023 Share Award Plan) of 10% of the number of Shares in issue as at the date of passing of this resolution be and is hereby approved and adopted.”

8. **“THAT** the Service Provider Sublimit (as defined in the 2023 Share Option Scheme and the 2023 Share Award Plan) on the total number of Shares that may be issued in respect of all share options or share awards to be granted to Service Providers (as defined in the 2023 Share Option Scheme and the 2023 Share Award Plan) under the 2023 Share Option Scheme, the 2023 Share Award Plan or all other share schemes of the Company (i.e. 1% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the executive Directors are Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai and Mr. Chan Raymond; the non-executive Directors are Mr. Ho Cheuk Ming and Mr. Ho Kai Man; the independent non-executive Directors are Mr. Fong Hoi Shing, Mr. Yam Chung Shing and Dr. Lau Kin Wah.

By Order of the Board
Karrie International Holdings Limited
Ho Cheuk Fai
Chairman

Hong Kong, 31 July 2023

Principal place of business in Hong Kong:
9th Floor, Southeast Industrial Building
611–619 Castle Peak Road
Tsuen Wan, New Territories
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A member who is holding two or more shares of the Company is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company. A form of proxy for use at the above meeting is enclosed herewith.
2. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting at the AGM (or any adjournment thereof) in person.
3. Where there are joint holders of any share any one of such joint holder 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 any meeting, the vote of the person whose name stands first in the register of members of the Company in respect of such share, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
4. The register of members of the Company will be closed from Thursday, 24 August 2023 to Wednesday, 30 August 2023 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 23 August 2023.
5. The register of members of the Company will be closed from Tuesday, 5 September 2023 to Wednesday, 6 September 2023 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend for the year ended 31 March 2023, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 4 September 2023.
6. In the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 6:00 a.m. or any time after 6:00 a.m. on Wednesday, 30 August 2023, the AGM will be adjourned to the same time and place on the first business day after Wednesday, 30 August 2023.