
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Yeebo (International Holdings) Limited (the “**Company**”), you should at once hand this circular with the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**YEEBO (INTERNATIONAL HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

**GENERAL MANDATES TO
REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF SHARE OPTION SCHEME,
PROPOSED ALTERATIONS TO THE MEMORANDUM OF
ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of the Company to be held at Huashan Room, Level 5, Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 16 August 2024 at 11:00 a.m. at which the above proposals will be considered is set out in Appendix IV to this circular.

A form of proxy for the Annual General Meeting is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.yeebo.com.hk, respectively. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 11:00 a.m. on Wednesday, 14 August 2024 (Hong Kong time)) or any adjournment or postponement thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

22 July 2024

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DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by the Shareholders;
“AGM”	the 2024 annual general meeting of the Company to be held on Friday, 16 August 2024;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditor”	the auditor of the Company from time to time;
“Board”	the board of Directors from time to time, which for the purposes of the Share Option Scheme shall include such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors from time to time to administer the Share Option Scheme;
“Business Day(s)”	any day(s) on which the Stock Exchange is open for business of dealing in securities and on which banks are open for business in Hong Kong, throughout their normal business hours, other than a Saturday, Sunday, or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
“Bye-laws”	the bye-laws of the Company;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;

DEFINITIONS

“core connected person(s)”	a director, chief executive or substantial shareholder of the Company or of any of its subsidiaries or a close associate of any of them;
“Directors”	directors of the Company;
“Employee Participant(s)”	director(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with these companies);
“Existing Memorandum”	the Memorandum (originally registered with the Bermuda Registrar upon the incorporation of the Company on 8 June 1993 as revised from time to time) currently in force as at the Latest Practicable Date;
“Grantee(s)”	any Participant(s) who accepts an Offer in accordance with the terms of the Share Option Scheme and holder of any outstanding Option or (where the context so permits) a Personal Representative of such Grantee;
“Group”	the Company and its subsidiaries from time to time, and the expression “Group company”, “Group member”, “member of the Group” and their grammatical derivatives shall be construed accordingly;
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time;

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate to issue, allot and dispose of Shares (including any sale and transfer of treasury shares out of treasury) up to a maximum of 20 per cent. of the number of issued Shares (excluding treasury shares, if any) as at the date of passing of the relevant resolution;
“Last Practicable Date”	18 July 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained therein;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time;
“Memorandum”	the Memorandum of Association of the Company;
“Offer”	an offer of the grant of an Option made in accordance with the Share Option Scheme Rules;
“Offer Date”	in relation to any Option, the date on which an Offer of such Option is made to a Participant subject to and in accordance with the terms of the Share Option Scheme Rules and which must be a Business Day, provided that the date on which the Board resolves to make an Offer should be taken as the Offer Date for the purpose of calculating the exercise price;
“Option”	a right granted to a Grantee to subscribe for Shares pursuant to the Share Option Scheme;

DEFINITIONS

“Option Period”	in respect of any Option, a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the Offer Date (subject to the provisions for early termination), for the avoidance of doubt, such period may, if the Board so determines, be set at different lengths for different Grantees and the Board may also set conditions and/or restrictions on the exercise of such Option during the period an Option may be exercised;
“Option Price”	the amount of HK\$1.00 payable upon each acceptance of grant of Option(s);
“Other Schemes”	other than the Share Option Scheme, all the schemes or arrangements involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules;
“Participant(s)”	any person(s) belonging to Employee Participants;
“Participant Vehicle”	a vehicle (such as a trust or a private company) nominated by such Participant for the benefit of the Participant and any of his or her family members (e.g. for estate planning or tax planning purposes or such other purposes as the Board and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of the provisions under the Listing Rules;

DEFINITIONS

“Personal Representative(s)”	in case of the death, physical or mental disability or incapacity of the Grantee or other event which, in the opinion of the Board, deprives a Grantee of his/her capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee), such person(s) recognised by the Company as the representative(s) to be assigned with the Option(s) (to the extent exercisable but not already exercised) granted to such Grantee or otherwise be entitled to exercise such Option(s) (to the extent exercisable but not already exercised) acting on behalf of the Grantee in consequence of such events by operation of law and subject to provision of such evidence as to his/her entitlement as may from time to time be required by and to the satisfaction of the Board;
“Proposed Alterations”	the proposed alterations to the Existing Memorandum as set out on page 18 of this circular;
“Remuneration Committee”	the remuneration committee of the Board;
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent. of the number of issued Shares (excluding treasury shares, if any) as at the date of passing of the relevant resolution;
“Scheme Mandate Limit”	the limit on the total number of Shares which may be allotted and issued in respect of all Options that may be granted under the Share Option Scheme and all share options and all share awards that may be granted under any Other Schemes, which must not exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date;
“Scheme Period”	the period commencing on the Adoption Date and expiring on the day immediately preceding the tenth anniversary of the Adoption Date (both days inclusive) but subject to early termination pursuant to the provisions of the Share Option Scheme Rules;

DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of the Company and any other share(s) resulting from any sub-division, consolidation or reclassification of such share(s);
“Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company pursuant to a resolution to be passed by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix I to this circular;
“Share Option Scheme Rules”	the rules of the Share Option Scheme in its present or any amended form;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option as determined by the Board, but subject to the provisions of the Share Option Scheme Rules, or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme Rules;
“subsidiary”	any entity which falls within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong issued by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time;
“treasury shares”	has the meaning ascribed to it under the Listing Rules;

DEFINITIONS

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

LETTER FROM THE BOARD



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

Directors:

FANG Yan Tak, Douglas

LI Kwok Wai, Frankie

LEUNG Tze Kuen

CHEUNG Wai Man

CHU Chi Wai, Allan*

LAU Yuen Sun, Adrian*

LAU Kei May*

* *Independent Non-executive Director*

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Hamilton HM 10

Bermuda

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New Territories

Hong Kong

22 July 2024

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO
REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF SHARE OPTION SCHEME,
PROPOSED ALTERATIONS TO THE MEMORANDUM OF
ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM, as required by the relevant rules set out in the Listing Rules. These include (i) ordinary resolutions relating to the granting to the Directors general mandates for the repurchase of the Shares and the issue of Shares, (ii) ordinary resolution relating to the re-election of the retiring Directors, (iii) ordinary resolution relating to the proposed adoption of the Share Option Scheme, and (iv) special resolution to alter the Memorandum.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate.

An ordinary resolution will also be proposed that the Directors be granted the Issue Mandate. On the basis that there is no change in the issued share capital of the Company from the Latest Practicable Date to the date of passing the relevant resolution, the maximum number of Shares that may be issued pursuant to the Issue Mandate is 188,562,400.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until 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 law or the Bye-laws to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

RE-ELECTION OF RETIRING DIRECTORS

In relation to Resolution Number 3 as set out in the notice of the AGM, Mr. Leung Tze Kuen (“**Mr. Leung**”) and Professor Lau Kei May (“**Prof. Lau**”) will retire from office as Directors at the AGM. Both Mr. Leung and Prof. Lau, being eligible, have indicated their willingness to offer themselves for re-election pursuant to Bye-law 87 of the Bye-laws.

Mr. Cheung Wai Man (“**Mr. Cheung**”) who was appointed by the Board as an Executive Director effective from 12 July 2024 will be subject to election by Shareholders at the AGM pursuant to Bye-law 86(2) of the Bye-laws.

LETTER FROM THE BOARD

The Nomination Committee of the Company reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all Independent Non-executive Directors. The Nomination Committee has recommended to the Board on re-election of Mr. Leung, Prof. Lau and Mr. Cheung who are due to retire at the AGM. The Company considers that Prof. Lau is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Further details of the retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

PROPOSED ADOPTION OF SHARE OPTION SCHEME

Conditions precedent of the Share Option Scheme

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

- (i) the passing of the necessary resolution to adopt the Share Option Scheme by the Shareholders in a general meeting of the Company and to grant authorities to the Board to (i) grant Options under the Share Option Scheme in accordance with the Share Option Scheme Rules and (ii) allot, issue and deal in such number of Shares fall to be issued on the exercise of any Options to be granted under the Share Option Scheme; and
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued by the Company pursuant to the exercise of any such Options in accordance with the terms and conditions of the Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the Share Option Scheme.

Terms of the Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. The full provisions of the Share Option Scheme will be (i) published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.yeebo.com.hk/>) for a period of 14 days from the date of this circular (both days inclusive); and (ii) made available for inspection at the AGM.

LETTER FROM THE BOARD

Purpose

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

Participants and the basis of determining the eligibility of Participants

The Participants of the Share Option Scheme

The Participants of the Share Option Scheme include the Employee Participants.

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

The eligibility of any of the Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Participant's contribution to the development and growth of the Group. In assessing whether Option(s) is/are to be granted to any Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions which have been provided or could be provided by such Participant to the Group, the special skills or technical knowledge or experience possessed by them which is beneficial to the continuing development of the Group, the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) which such Participant has brought to or is likely to be able to bring to the Group's business, development and success and whether granting Options to such Participant is an appropriate incentive to motivate such Participant to continue to contribute towards the betterment of the Group.

LETTER FROM THE BOARD

Eligibility of Employee Participants

Employee Participants cover director(s) (including independent non-executive Directors) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with these companies).

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

Vesting Period

The Vesting Period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). However, to ensure the practicability in fully attaining the purpose of the Share Option Scheme, the Board and the Remuneration Committee are of the view that:

- (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Options, such as those set out in the paragraphs headed “6. Vesting of Options” in Appendix III to this circular;
- (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, for compliance and administrative purposes (which may include (but are not limited to) (A) Options that should have been granted earlier but had to wait for a subsequent batch to reduce administrative work and expenses of the Group; and (B) Options that should have been granted earlier but had to wait until inside information has been announced or until the end of the dealing prohibition period in relation to publication of financial results under Appendix C3 to the Listing Rules in order to comply with the Share Option Scheme Rules, the Listing Rules and the relevant laws and regulations); and
- (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions (including but not limited to attainment of financial targets such as increase in revenue or sales volume, which may be related to the relevant Participant or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Group) instead of time-based vesting criteria depending on individual circumstances, or such other time-based vesting criteria which effectively restricts a Participant’s Options for at least 12 months.

LETTER FROM THE BOARD

Hence, the Board (including the independent non-executive Directors) and the Remuneration Committee are of the view that the shorter vesting period prescribed in the paragraphs headed “6. Vesting of Options” in Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the Share Option Scheme.

Performance targets attached to Options

Unless otherwise determined by the Board and specified in the Offer or Grant Letter (as the case may be), there is generally no performance target that needs to be achieved before the exercise of an Option on a Participant, PROVIDED THAT:

- (i) In respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Participant, the Board or such committee of the Board authorised by the Board for such purpose may, establish performance targets against the attainment of which the Options granted to the Participants concerned. The Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose) shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose).

- (ii) Proposed performance targets may include business, financial, operations and creation of capital value for the Group’s business segments (such as increase in revenue and net profit of the Group, the effective use of fund by the Group and effectiveness of cost control management) as well as that for the Participants based on individual performance indicators relevant to their roles and responsibilities (such as fulfilment of duties and business opportunities brought by the Participants to the Group). The Board (or, as the case may be, the Remuneration Committee, such committee of the Board or such other person authorised by the Board for such purpose) will establish a scoring system which comprises a mixture of performance targets which vary among the Participants, which include performance targets for the business of the Group as a whole as well as individual targets specific to the Participants determined in accordance with the positions held by the Participants and the specific duties of the Participants, and will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met. In respect of performance targets for the business of the Group, the target levels to be achieved shall in general be comparable to the performance of enterprises in the industry in which the Group operates, whereas in respect of performance targets for individual Participants, the target levels to be achieved shall in general be proper and timely completion of tasks and discharge of duties assigned to the relevant Participants.

LETTER FROM THE BOARD

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

Clawback mechanism

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

The Board (including the independent non-executive Directors) considers that the above clawback mechanism enables the Company to clawback such Options (or Shares issued upon exercise of Options) which are inequitable to be granted to the Participants, and is therefore in line with the purpose of the Share Option Scheme and in the interests of the Group and the Shareholders as a whole.

Basis of determination of exercise price of Options

Grantees to whom Options shall be granted are entitled to subscribe for the number of Shares at the Subscription Price as determined on the Offer Date. The basis for determining the Subscription Price (i.e. the exercise price of Options) is also specified precisely in the Share Option Scheme Rules, which is summarised under the paragraphs headed "10. Subscription for Options" in Appendix III to this circular. As the Subscription Price must be not less than the price stipulated in the Listing Rules, it is expected that Grantees will endeavour to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options, which in turn is expected to benefit the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Scheme Mandate Limit

Pursuant to Rule 17.03B(1) of the Listing Rules and the Share Option Scheme Rules, the Scheme Mandate Limit, being the total number of Shares which may be allotted and issued in respect of all Options that may be granted under the Share Option Scheme and all share options and all share awards that may be granted under any Other Schemes existing at such time, must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the date of approval of this limit by the Shareholders at a general meeting.

As at the Latest Practicable Date, save for the existing restricted share award scheme adopted by the Company in 2012 (for a period of 15 years), the Company does not have any share schemes. For the avoidance of doubt, the said existing restricted share award scheme is funded with existing Shares only, and any share award granted in the form of existing Shares under such restricted share award scheme shall not be counted towards the Scheme Mandate Limit or the New Scheme Mandate Limit, as the case may be.

As at the Latest Practicable Date, there were 942,812,000 Shares in issue. Assuming that (a) no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and (b) the resolutions regarding the proposed adoption of the Share Option Scheme and the Scheme Mandate Limit is passed at the AGM, the total number of Shares which may be issued in respect of all Options that may be granted under the Share Option Scheme and all share options and share awards that may be granted under any Other Schemes would be no more than 94,281,200 Shares, representing no more than 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date.

Refreshment of the Scheme Mandate Limit

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment. Any refreshment to the Scheme Mandate Limit within any respective three-year period must be approved by the Shareholders and subject to the following provisions:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (b) the Company must comply with the requirements under applicable provisions of the Listing Rules.

LETTER FROM THE BOARD

The total number of Shares which may be issued in respect of all Options to be granted under the Share Option Scheme, share options or share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the “**New Scheme Mandate Limit**”) must not exceed 10% of the issued Shares (excluding treasury shares) as at the date of Shareholders’ approval of the New Scheme Mandate Limit. Shares which are subject matter of any Options, any share options and share awards previously granted under the Share Option Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit.

Alteration of the Share Option Scheme

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

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

The requirements in paragraphs (a) to (c) above align with the requirements set out in the note to Rule 17.03(18) of the Listing Rules, whereas the requirement in paragraph (d) above are incorporated to protect Grantees’ subsisting rights from being materially and adversely affected by alteration of the Share Option Scheme Rules. The requirement in paragraph (d) above is in addition to, but not alternative to, the requirements in paragraphs (a) to (c) above, and any proposed amendment satisfying paragraph (d) above must also satisfy paragraphs (a) to (c) above. Therefore, the provisions of the Share Option Scheme Rules relating to alteration of the Share Option Scheme Rules align with Rule 17.03(18) of the Listing Rules and the note thereto.

LETTER FROM THE BOARD

Other Information

The Company has no intention to use treasury shares for the Share Option Scheme.

Reasons for and Benefits of the Adoption of the Share Option Scheme

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

Equity compensation, including provision of long-term share-based incentives to participants including employees of Group companies, is common among public companies. With a view to motivating employees and other Participants to contribute to the long-term growth and development of the Group, the Company has adopted a restricted share award scheme in 2012 which is funded by existing Shares only, which is still effective as at the Latest Practicable Date. The proposed adoption of the Share Option Scheme will involve grant of Options under which the Grantees may subscribe for new Shares at a pre-determined exercise price and can provide an alternative mean for the Company to provide competitive and attractive remuneration package to incentivise Participants in contributing to the Group. It is also in line with modern commercial practice for public companies to adopt parallel share-based incentive schemes to offer them with discretion to better align the value of the companies with the interests of the participants thereunder by granting the appropriate long-term share-based incentives (share options, share awards or a combination of them) with reference to and/or in response to the then sociopolitical, macroeconomic and industry situations, enabling those participants and the companies to develop together and promote the long-term performance as well as corporate culture of the companies.

ALTERATION TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

As a Bermuda-incorporated company which is listed on the Stock Exchange, any purchase or acquisition of the shares by the Company will have to be made in accordance with and subject to the provisions of the Listing Rules, the Take-over Code, the Bermuda Companies Act, the Bye-Laws, the Memorandum and such other laws and regulations as may from time to time be applicable.

LETTER FROM THE BOARD

It is provided under the Bermuda Companies Act that a company incorporated in Bermuda may, if authorised to do so by its memorandum of association or bye-laws, acquire its own shares to be held as treasury shares for cash or any of the consideration, provided that no such acquisition would result in all of the company's issued shares (other than the shares to be held as treasury shares) becoming non-voting shares, and no such acquisition may be effected if, on the date on which the acquisition is effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due. In this regard, the Existing Memorandum and existing Bye-Laws currently do not authorise the Company to hold any Share purchased or acquired by the Company as treasury shares. Accordingly, any Share purchased or acquired by the Company shall have to be cancelled.

In view of the foregoing, the Company is proposing to amend the Existing Memorandum to, inter alia, authorise the Company to, subject to and in accordance with the Bermuda Companies Act, the Listing Rules, and such other laws and regulations as may from time to time be applicable, hold any Share purchased or acquired by the Company as treasury shares.

The proposed adoption of the new Memorandum is subject to Shareholders' approval by way of a special resolution to be passed at the AGM, and if so approved, shall take effect immediately on passing of the special resolution. Any Shareholder who objects to the proposed adoption of the new Memorandum shall accordingly be obliged to vote against passing of the special resolution as tabled at the AGM.

Summary of Proposed Alterations

It is proposed to delete sections (1) through (3) of paragraph 6 (Objects of the Company) of the Schedule to Form 2 and replace them with a new section 1:

- (1) the objects for which the Company is formed and incorporated are unrestricted.

It is proposed to delete sections (1) through (4) of paragraph 7 (Powers of the Company) of the Schedule to Form 2 in their entirety and replace them with new sections (1) through (4) as follows:

- (1) the Company shall have the powers of a natural person;
- (2) the Company shall, pursuant to Section 42 of the Companies Act 1981, have the power to issue preference shares which are, at the option of the holder, to be liable to be redeemed;
- (3) the Company shall, pursuant to Section 42A of the Companies Act 1981, have the power to purchase its own shares; and
- (4) the Company shall, pursuant to Section 42B of the Companies Act 1981, have the power to purchase its own shares to be held as treasury shares.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix IV to this circular. A proxy form for appointing proxy is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.yeebo.com.hk). Whether or not you intend to attend the AGM, you are requested to complete the proxy and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11:00 a.m. on Wednesday, 14 August 2024 (Hong Kong time)) or any adjournment or postponement thereof. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment or postponement thereof if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be put forward at the AGM in respect of approving the Proposed Alterations.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in AGM Notice will be decided by poll. The results of the poll will be published on the websites of the Stock Exchange and the Company.

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.

RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares, the re-election of the retiring Directors, the proposed adoption of the Share Option Scheme and the proposed alterations to the Memorandum are all in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favor of the all the proposed resolutions as set out in the notice of the AGM.

Yours faithfully,
For and on behalf of the Board
Fang Yan Tak, Douglas
Chairman and Executive Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

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

2. SHARE CAPITAL

As at Latest Practicable Date, there was a total of 942,812,000 Shares in issue, including 1,704,000 Shares which have been repurchased by the Company but not yet cancelled.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued, repurchased or cancelled before the AGM, the Company will be allowed a repurchase a maximum of 94,281,200 Shares, representing 10% of the total number of the issued Shares (excluding treasury shares, if any) as at the date of the AGM.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases 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 of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 March 2024) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

5. SHARE PRICES

The following table shows the highest and the lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date:

Month	Share prices per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
July	3.00	2.81
August	3.00	2.89
September	2.94	2.78
October	2.88	2.80
November	2.84	2.65
December	2.81	2.75
2024		
January	2.98	2.75
February	3.04	2.98
March	3.90	3.04
April	3.80	3.42
May	3.69	3.33
June	3.39	3.04
July (up to Latest Practicable Date)	3.18	2.70

6. GENERAL

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

The Directors confirm that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda, and in accordance with the regulations set out in the Bye-laws.

Neither this explanatory statement nor the proposed share repurchase has any unusual features.

The Company has not been notified by any core connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase of Shares, 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 Takeover Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Antrix Investment Limited ("**Antrix**") held a beneficial interest of 570,000,000 Shares in, representing approximately 60.46% of the issued share capital of the Company. If the Repurchase Mandate were exercised in full, the relevant percentage would increase to 67.17%. Any repurchase of Shares by the Company will not oblige Antrix to make a general offer. The Directors are not aware of any consequences which would give rise to any obligation to make a mandatory offer in accordance with Rule 26 of the Code. The Directors have no intention to exercise the Repurchase Mandate to such extent which will result in less than 25 per cent. of the Shares being held by public.

Save as disclosed above, the Directors are currently not aware of any consequence which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

7. SECURITIES REPURCHASE MADE BY THE COMPANY

With effect from 11 June 2024, the Listing Rules have been amended to the effect that, among others, the requirements to cancel repurchased shares has been removed such that listed issuers may hold the repurchased shares in treasury subject to the laws of their places of incorporation and their constitutional documents, and a framework in the Listing Rules to govern the resale of treasury shares has been adopted. The Directors consider that such amendments provide greater flexibility to the Company in repurchasing and reselling Shares, thereby allowing the Company an additional channel to manage its capital structure. A special resolution is proposed at the AGM to amend the Existing Memorandum to, inter alia, authorise the Company to, subject to and in accordance with the Bermuda Companies Act, the Listing Rules, and such other laws and regulations as may from time to time be applicable, hold any share purchased or acquired by the Company as treasury shares. If the proposed special resolution is approved and adopted, the Company may cancel Shares repurchased or hold them as treasury shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury shares deposited with HKSCC, pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

record date for the dividends or distributions, and (iii) take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

For the avoidance of doubt, if the special resolution to adopt the Proposed Alterations is not passed at this AGM, all repurchased Shares will be cancelled.

In the six months immediately preceding the Latest Practicable Date, the Company bought back in multiple batches a total of 11,128,000 Shares on the Stock Exchange in cash for an aggregate consideration (before expenses) of HK\$36,228,620, details of which are as follows:

Month of buy-back	No. of Shares bought back	Price per Share		Aggregate consideration paid
		Highest HK\$	Lowest HK\$	(before expenses) HK\$
January 2024	2,496,000	2.97	2.75	7,136,840
March 2024	4,120,000	3.50	3.34	14,195,860
April 2024	2,808,000	3.50	3.42	9,796,980
July 2024	1,704,000	3.18	2.70	5,098,940
	<u>11,128,000</u>			<u>36,228,620</u>

1. Mr. LEUNG Tze Kuen

Mr. LEUNG Tze Kuen is offering himself for re-election as an Executive Director. Mr. Leung, aged 61, is also a director of various subsidiaries of the Company and is responsible for the planning and development of finance strategies, direct investment management and policy setting of the Group. He graduated from the Chinese University of Hong Kong majoring in Accounting. He also holds a MBA degree from Monash University, Australia. He is now a member of CPA Australia. He has extensive experience in operational and financial management. Mr. Leung is a director of Suzhou QingYue Optoelectronics Technology Co., Ltd., an associate company of the Company which shares are listed on the Shanghai Stock Exchange. Mr. Leung was also a director of Nantong Jianghai Capacitor Co., Ltd., an associated company of the Company and a company listed on the Shenzhen Stock Exchange until his resignation on 21 November 2023. Save for the above, Mr. Leung did not hold any directorships in any other listed public companies in the last three years.

Mr. Leung does not have a service contract with the Company. He is subject to retirement and re-election by Shareholders at the annual general meetings of the Company at least once every three years. His total emolument for the year ended 31 March 2024 was HK\$4,846,000 which was arrived at on the basis of the prevailing market rate with reference to his experience and duties. Mr. Leung's emolument is subject to the review by the board of Directors from time to time. As at the Latest Practicable Date, the interests of Mr. Leung in the securities of the Company were as follows:

	Long/Short Position	No. of Shares Held
Personal interests	Long position	3,200,000

Save as disclosed above, Mr. Leung did not have any interests in the securities of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Leung does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Leung and the Company are not aware of any other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

2. Professor LAU Kei May

Professor LAU Kei May is offering herself for re-election as an Independent Non-executive Director. Prof. Lau, aged 69, joined the Company as an Independent Non-executive Director in March 2021. Prof. Lau is a Chair Professor of the Department of Electronic & Computer Engineering at the Hong Kong University of Science and Technology (“HKUST”). Prof. Lau received the B.S. and M.S. degrees in physics from the University of Minnesota, Minneapolis, and the PhD, Degree in Electrical Engineering from Rice University, Houston, Texas. Before joining HKUST in 2000, she had a brief stint in the electronics industry, and was a professor at the University of Massachusetts/Amherst for 18 years. Prof. Lau is a Fellow of the Institute of Electrical and Electronics Engineers (“IEEE”), the Optical Society (“OSA”) and the Hong Kong Academy of Engineering Sciences. She is also a recipient of the Institute of Engineering and Technology (IET) J J Thomson Medal for Electronics, OSA Nick Holonyak Jr. Award, IEEE Photonics Society Aron Kressel Award, and Hong Kong Croucher Senior Research Fellowship. She served as an editor of professional journals in her field. Prof. Lau did not hold any directorships in any other listed public companies in the last three years.

Prof. Lau has entered into a letter of appointment with the Company pursuant to which she was appointed for a term of three years with effect from 29 March 2024, subject to retirement and re-election by Shareholders at the annual general meetings of the Company at least once every three years. Her total emolument would be HK\$300,000 per annum which is arrived at on the basis of the prevailing market rate with reference to her experience and duties. Prof. Lau’s emolument is subject to the review by the board of Directors from time to time. As at the Latest Practicable Date, Prof. Lau did not have any interests in the securities of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Prof. Lau does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Prof. Lau and the Company are not aware of any other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

3. Mr. CHEUNG Wai Man

Mr. Cheung Wai Man is offering himself for re-election as an Executive Director. Mr. Cheung, aged 48, is also a director of various subsidiaries of the Company and is responsible for the direct investment management, investor relations and financial management of the Group. He is currently a senior vice president of Fang Brothers Holdings Limited (“**Fang Brothers**”), the ultimate holding company of the Company. Prior to joining Fang Brothers in 2010, Mr. Cheung has worked for an international accounting firm and for listed companies with extensive experience in auditing, mergers and acquisitions, investor relations, and operational and financial management. Mr. Cheung graduated from The Hong Kong Polytechnic University with a Bachelor of Arts (Honours) in Accountancy. He also holds an MBA degree from Fudan University, the People’s Republic of China. Mr. Cheung is a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Cheung joined the Group in 2023.

Mr. Cheung is currently also a director of Nantong Jianghai Capacitor Co., Ltd., an associate of the Company and a company listed on the Shenzhen Stock Exchange. Save for the above, Mr. Cheung did not hold any directorships in any other listed public companies in the last three years.

Mr. Cheung has entered into a letter of appointment with the Company for a term of 3 years. He is subject to retirement and re-election by Shareholders at the annual general meetings of the Company at least once every three years. His annual remuneration would be HK\$1,200,000 which was arrived at on the basis of the prevailing market rate with reference to his experience and duties. Mr. Cheung’s emolument is subject to review by the board of Directors from time to time. As at the Latest Practicable Date, the spouse of Mr. Cheung holds 100,000 Shares which Mr. Cheung is deemed to have interest in within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Cheung does not have any interests in the securities of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Cheung and the Company are not aware of any other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme Rules. It does not form part of, nor is it intended to be part of the Share Option Scheme Rules and it should not be taken as affecting the interpretation of the Share Option Scheme Rules. The Directors reserve the right at any time prior to the AGM to make such amendments to the Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

1. PURPOSE OF THE SHARE OPTION SCHEME

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

2. PARTICIPANTS AND BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

The Participants of the Share Option Scheme include the Employee Participants.

The eligibility of any of the Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Participant's contribution to the development and growth of the Group. In assessing whether Option(s) is/are to be granted to any Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions which have been provided or could be provided by such Participant to the Group, the special skills or technical knowledge or experience possessed by them which is beneficial to the continuing development of the Group, the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) which such Participant has brought to or is likely to be able to bring to the Group's business, development and success and whether granting Options to such Participant is an appropriate incentive to motivate such Participant to continue to contribute towards the betterment of the Group.

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

3. SCHEME MANDATE LIMIT

- 3.1 Subject to refreshment and adjustment upon Share consolidation or subdivision, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the Share Option Scheme, and all share options and all share awards to be granted under any Other Schemes (i.e. the Scheme Mandate Limit) must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date, unless the Company has obtained separate approval by Shareholders in general meeting.
- 3.2 For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any Options, any share options and share awards that have already lapsed in accordance with the respective terms of the Share Option Scheme and any Other Schemes shall not be regarded as utilised and hence shall not be counted.
- 3.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of all Options to be granted under the Share Option Scheme and all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% of the Shares in issue (excluding treasury shares) at the date of the Shareholders' approval of such New Scheme Mandate Limit. Shares which are subject matter of any Options, any share options and share awards previously granted under the Share Option Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit. Where required by the Listing Rules, the Company must send a circular to its Shareholders within such time as may be specified in the Listing Rules disclosing the number of Options, share options and share awards that are already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- 3.4 Any refreshment to the Scheme Mandate Limit within any three-year period must be approved by the Shareholders, subject to the following:
- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

- 3.5 The requirements under paragraph 3.4 (a) and (b) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.
- 3.6 Without prejudice to paragraph 3.3, the Company may seek separate Shareholders' approval in general meeting to grant Options under the Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limits, provided that:
- (a) the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought;
 - (b) the Company must send a circular to the Shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and
 - (c) the number and terms of Options to be granted to such Participant must be fixed before the Shareholders' meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.
- 3.7 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Share Option Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) as a percentage of the total number of the issued Share at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

4. MAXIMUM ENTITLEMENTS TO EACH PARTICIPANT AND OPTIONS GRANTED TO CERTAIN CONNECTED PERSONS

- 4.1 The total number of Shares issued and to be issued in respect of all Options granted under the Share Option Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the Share Option Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (excluding treasury shares) (“**Individual Limit**”).
- 4.2 Where it is proposed that any Offer be made to a Participant which would result in the Shares issued and to be issued in respect of all Options, share options and share awards granted and proposed to be granted to such Participant (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the Share Option Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant proposed Offer Date exceeding the Individual Limit, such proposed further grant of Options shall be subject to and conditional upon the following conditions:
- (a) such proposed grant of Options having been separately approved by the Shareholders in general meeting of the Company with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting;
 - (b) where required by the Listing Rules, the Company having first sent a circular to Shareholders within such time as may be specified in the Listing Rules disclosing such information required under the Listing Rules (which may include, where required, the identity of the Participant, the number and terms of the Options to be granted (and Options, share options or share awards previously granted to such Participant in the aforesaid 12-month period), the purpose of granting the Options to the Participant, an explanation as to how the terms of the Options serve such purpose); and
 - (c) the number and terms of such Options to be granted to such Participant having been fixed before the date on which Shareholders’ approval on such grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.
- 4.3 Without prejudice to paragraph 4.4, each grant of Option(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options).

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

- (a) where required under the Listing Rules, the Company having sent a circular to the Shareholders containing details of the number and terms of the Options to be granted to each Participant (including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules), the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting, and/or such information as required under the Listing Rules within such time as may be specified in the Listing Rules; and
- (b) where required under the Listing Rules, such grant of Options having been approved by the Shareholders in general meeting of the Company at which the Grantee, his/her associates and all core connected persons shall abstain from voting in favour at such general meeting, and the Company having complied with Rules 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

5. OFFER AND ACCEPTANCE OF OPTIONS

5.1 The Board shall be entitled at any time within the Scheme Period to make an Offer to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Subscription Price, provided that an Offer must not be made after an inside information has occurred or an inside information has been the subject of a decision, until (and including) the trading day after such inside information has been duly published and announced. In particular, no Offer shall be made and no Options shall be granted during the period commencing 30 days immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

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

- 5.2 The Board may in its absolute discretion specify such terms, conditions, restrictions and/or limitations as it thinks fit when making an Offer to a Participant (including, without limitation, as to any performance targets to be achieved as well as, subject to paragraph 6, the minimum period that an Option must be held before such Option can be exercised, and the period within which payments or calls must or may be made or loans for such purposes must be repaid on a case-by-case basis), provided that such terms, conditions, restrictions and/or limitations shall not be inconsistent with any other terms and conditions of the Share Option Scheme and the applicable laws, rules and regulations (including the Listing Rules).
- 5.3 Any Offer may be accepted within such period and in such manner specified in the Offer in respect of all or less than the number of Shares in respect of which it is offered provided that such lesser number is clearly stated in the acceptance and if the Board deems fit, may impose condition in the Offer that it may be accepted only in respect of a board lot for dealing in Shares on the Stock Exchange or an integral number thereof, in each case the acceptance must be accompanied by payment in favour of the Company of the Option Price (i.e. the amount of HK\$1.00 payable upon acceptance of each grant of Option(s)) as consideration for the Offer which shall be paid to the Company within the time stated in the Offer which shall be determined by the Board from time to time.
- 5.4 To the extent that an Offer is not accepted (whether in respect of all or less than the number of Shares in respect of which it is offered) within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined, and hence lapse, in its entirety or to the extent not accepted (as the case may be). The Option Price is not refundable in all circumstances except where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price.

6. VESTING OF OPTIONS

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

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

7. EXERCISE OF OPTIONS

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

7.2 An Option may be exercised by the Grantee (or his Personal Representative(s)) at any time during the Option Period, provided that:

- (a) subject to paragraphs 7.2(b), 7.2(g) and 8.1(c) where the Grantee (being an Employee Participant at the time of Offer) of an outstanding Option ceases to be an Employee Participant for any reason, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee may exercise the Option up to his/her entitlement at the date of cessation (to the extent exercisable but not already exercised) within one month (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his/her last day of employment with the Company or any subsidiary of the Company whether salary is paid in lieu of notice or not, provided that if any of the events referred to in paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) respectively;

- (b) where the Grantee of an outstanding Option dies or for Grantee (being Employee Participant at the Offer Date) otherwise ceases to be an Employee Participant by reason of physical or mental disability or incapacity or other event which, in the opinion of the Board, deprives him/her of his/her capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee) before exercising the Option in full or at all and none of the events which would be a ground for termination of his/her employment or appointment as specified in paragraph 8.1(c) has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Option (to the extent exercisable but not already exercised) may be exercised up to the entitlement of such Grantee at the date of his/her death, physical or mental disability or incapacity or such other event by the Grantee or his/her Personal Representative(s) within twelve months after the date of death, physical or mental disability or incapacity or such other event (or such other period as the Board may determine), such date shall be ascertained and determined by the Board upon receipt of documentary evidence provided by the Personal Representative(s) to the satisfaction of the Board, provided that (i) in respect of any Options that may have met the earliest Vesting Date as stated in the Offer but have not been vested because the performance targets stated in the Offer have not been satisfied, the Board may (but not obliged to) by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the Grantee or his/her Personal Representative(s) may exercise such Option in respect of such number of Shares and within such time as the Board may consider appropriate, subject to any conditions or limitation as they may impose; and (ii) if any of the events referred to in paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) respectively;

- (c) whereby if there is a change of control of the Company leading to a general offer (whether by way of a takeover offer, share buyback offer, or scheme of arrangement or otherwise in the like manner, but other than a privatisation offer as stated in paragraph 7.2(d)) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his/her Personal Representative(s), as the case may be) may by notice in writing to the Company within 14 days after (i) in case of a scheme of arrangement, such scheme becoming effective, or (ii) in any other cases, such offer (or the revised offer) becoming or being declared unconditional (or such other period as the Board may in its sole and absolute discretion determine provided that such other period shall not exceed the expiry of the original Option Period) exercise the Option to its full extent or to the extent specified in such notice, notwithstanding that the Option Period in respect of the relevant Option may not have commenced, and for the purpose of this paragraph 7.2(c), “control” shall have the meaning as specified in the Takeovers Code from time to time;
- (d) if an offer to acquire and/or cancel the Shares arising from a privatisation proposal of the Company, whether by way of take-over offer, share buy-back offer, or scheme of arrangement or otherwise and whether or not involving a change of control of the Company, is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by such offeror and/or any person acting in association or concert with such offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his/her Personal Representatives) may thereafter (but before such time as shall be notified by the Company in writing not exceeding the expiry of the original Option Period) and in any case, before (i) in case of a scheme of arrangement, the latest time for lodging transfer of Shares in order to qualify for entitlements under such scheme of arrangement, or (ii) in any other case, the close of such offer (or any revised offer) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice notwithstanding that the Option Period may not have commenced at that time and for the purpose of this paragraph 7.2(d), “control” shall have the meaning as specified in the Takeovers Code from time to time;

- (e) in the event a compromise or arrangement between the Company on the one hand and its members and/or creditors on the other hand is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company summoning a meeting to consider such a compromise or arrangement give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his/her Personal Representative(s)) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the said proposed meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, and the Company may require any Grantee (or his/her Personal Representative(s)) to transfer or deal with the Shares issued as a result of the exercise of Options in this circumstances so as to place the Grantee (or his/her Personal Representative(s)) in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement;

- (f) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his/her Personal Representative(s)) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;

- (g) where the Grantee (being an Employee Participant at the date of Offer) of an outstanding Option ceases to be an Employee Participant by reason of retirement in accordance with the terms of his/her contract of employment or appointment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his/her employment or appointment as specified in paragraph 8.1(c) has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee shall be entitled within a period of 12 months from the date of retirement (or such

other period as the Board may determine) to exercise the Option up to the Grantee's entitlement (to the extent exercisable but not already exercised) provided that if any of the events referred to in paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.2(c), 7.2(d), 7.2(e) or 7.2(f) respectively; and

- (h) as regards a Participant Vehicle,
 - (i) the provisions of paragraph 7.2 and paragraph 8.1 shall apply to such Participant Vehicle and to all Options held by such Participant Vehicle, *mutatis mutandis*, as if such Options were still held by the individual Grantee from whom such Option(s) has/have transferred to the Participant Vehicle pursuant to paragraph 15, and such Options shall accordingly lapse or fall to be exercisable upon expiry of such periods specified in paragraphs 7.2 following occurrence of the event(s) referred to in paragraph 7.2 with respect to the relevant Grantee; and
 - (ii) all the Options held by the Participant Vehicle shall lapse and determine on the date the Participant Vehicle ceases to be wholly-owned by the relevant individual Grantee and any of his/her family members, or where the Participant Vehicle is a trust of which the relevant individual Grantee or any of his/her family members is a beneficiary or discretionary object, on the date the relevant individual Grantee or his/her family member ceases to be a beneficiary or discretionary object (unless the Board shall in its sole and absolute discretion determine otherwise).

7.3 Subject to compliance with the applicable laws, rules and regulations (including the Listing Rules), the Board shall have the sole and absolute discretion to make any decision regarding the exercise of Option provided that the terms of the Option as may be varied by such decision shall not impose more stringent conditions, or be otherwise less favourable to the Grantee, than the original terms of the Option, notwithstanding the terms of the relevant Offer in respect of an Option.

8. LAPSE OF OPTIONS

- 8.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:
- (a) the expiry of the Option Period (subject to any alteration pursuant to the Share Option Scheme Rules subject to compliance with applicable laws, rules and regulations including the Listing Rules);
 - (b) the expiry of any of the periods referred to in paragraph 7.2 (except as otherwise determined by the Board);

- (c) the date on which the Grantee (being an Employee Participant as at the date of Offer) ceases to be an Employee Participant by reason of the termination of his/her employment or other contract on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws, rules and regulations or under the Grantee's service contract with the Company or the relevant subsidiary of the Company, and for the purpose of this paragraph, a resolution of the Board to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph (c) shall be conclusive and binding on all persons who may be affected thereby;
- (d) the expiry of any period determined by the Board;
- (e) the date on which the Grantee commits a breach of paragraph 7.1;
- (f) the non-fulfilment of or failure to comply with any conditions specified by the Board as referred to in paragraph 5.1 above;
- (g) the non-acceptance of the Offer on or before such latest time for acceptance as specified in the Offer or otherwise specified by the Board;
- (h) the date when the Board resolves to exercise the right to clawback pursuant to the Company's policy on clawback, as amended from time to time; or
- (i) the date on which the Option is cancelled according to the paragraph 14.

8.2 For the avoidance of doubt,

- (a) transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group shall not be considered cessation of employment; and
- (b) any Grantee who is an Employee Participant is on such leave of absence with prior approval by the directors of the relevant member of the Group is not to be considered cessation of employment of the Grantee.

9. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the Offer, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Grantee, provided that in respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Participant, the Board or such committee of the Board authorised by the Board for such purpose may, establish performance targets against the attainment of which the Options granted to the Participants concerned, and to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose).

Proposed performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit of the Group, the effective use of fund by the Group and effectiveness of cost control management) as well as that for the Participants based on individual performance indicators relevant to their roles and responsibilities (such as fulfilment of duties and business opportunities brought by the Participants to the Group). The Board (or, as the case may be, the Remuneration Committee, such committee of the Board or such other person authorised by the Board for such purpose) will establish a scoring system which comprises a mixture of performance targets which vary among the Participants, which include performance targets for the business of the Group as a whole as well as individual targets specific to the Participants determined in accordance with the positions held by the Participants and the specific duties of the Participants, and will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met. In respect of performance targets for the business of the Group, the target levels to be achieved shall in general be comparable to the performance of enterprises in the industry in which the Group operates, whereas in respect of performance targets for individual Participants, the target levels to be achieved shall in general be proper and timely completion of tasks and discharge of duties assigned to the relevant Participants.

10. SUBSCRIPTION FOR OPTIONS

The Subscription Price (subject to the adjustments under paragraph 13) shall be a price determined by the Board and notified to a Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

11. RIGHTS ATTACHED TO THE OPTIONS

Any Share to be allotted and issued upon exercise of an Option shall not carry voting rights, right of transfer, or right to participate in any dividends or distributions (including those arising on a liquidation of the Company) until the registration of the Grantee (or his/her Personal Representative(s) or Participant Vehicle, as the case may be) as the holder thereof in the register of members of the Company.

The Shares to be allotted upon the exercise of an Option shall be subject to the Company's memorandum of association and Bye-laws and any applicable laws, rules and regulations (including the Listing Rules) for the time being in force and shall rank *pari passu* in all respects (whether in terms of voting rights, dividend rights, transfer rights and other rights including those arising on a liquidation of the Company) with the fully-paid Shares in issue as at the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

12. DURATION AND TERMINATION OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be effective from the Adoption Date and shall be valid and effective for the Scheme Period (i.e. the period commencing on the Adoption Date and expiring on the day immediately preceding the tenth anniversary of the Adoption Date (both days inclusive)) unless sooner terminated. The Share Option Scheme may be terminated at any time by the Board or by the Company by resolution in general meeting.

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

13. ALTERATION OF SHARE CAPITAL

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

13.1 the number or nominal amount of Shares subject to any Option so far as such Option remains unexercised; and/or

13.2 the Subscription Price,

provided that:

- (a) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (b) any such adjustments must be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest integral whole Share, as that to which he was entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in paragraph 13;
- (c) no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value;
- (d) any such adjustments, save as those made on a capitalisation issue, shall be confirmed by the Auditors or the independent financial adviser in writing to the Board as satisfying the requirements of sub-paragraphs (b) and (c) above and the requirements of the relevant provisions of the Listing Rules; and
- (e) any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately prior to the occurrence of such event of alteration in the capital structure of the Company.

14. CANCELLATION OF OPTIONS

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

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

15. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee to whom it is made and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber, or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do, save for (i) exercise of Options by the Grantee's Personal Representative(s) or its nominee(s) pursuant to the provisions of the Share Option Scheme Rules; or (ii) the Board has expressly consented in writing (which consent may or may not be given by the Board at its absolute discretion) and the Stock Exchange has given an express waiver.

16. ALTERATION OF THE SHARE OPTION SCHEME AND TO THE OPTIONS

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

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

16.2 Notwithstanding any provisions contained in the Share Option Scheme Rules or any terms or conditions stated in the Offer but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Options granted to a Participant, provided that any such alteration to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Options requires such approval (except where the change takes effect automatically under the existing terms of the Share Option Scheme).

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

17. CLAWBACK

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

**YEEBO (INTERNATIONAL HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 259)

NOTICE OF 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 Annual General Meeting (the “**Meeting**”) of Yeebo (International Holdings) Limited (the “**Company**”) will be held at Huashan Room, Level 5, Island Shangri-la Hong-Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 16 August 2024 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and adopt the audited financial statements and the reports of the Directors and auditor for the year ended 31 March 2024.
2. To declare a final dividend of HK5.0 cents per ordinary share of the Company for the year ended 31 March 2024.
3.
 - (i) To re-elect Mr. Leung Tze Kuen as an Executive Director.
 - (ii) To re-elect Professor Lau Kei May as an Independent Non-executive Director.
 - (iii) To re-elect Mr. Cheung Wai Man as an Executive Director.
4. To authorise the Board of Directors to fix the Directors’ remuneration.
5. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix their remuneration.
6. **As special business**, to consider and if thought fit, pass the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers and authority of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with paragraph (b) of this Resolution, all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorized;

- (b) the aggregate number of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the number of issued shares of the Company (excluding treasury shares) as at the date of passing of this Resolution and the authority pursuant to paragraph (a) shall be limited accordingly;
 - (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of shares of the Company subject to the limit set out in paragraph (b) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
 - (d) for the purpose 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 expiry of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company (the “**Shareholders**”) in general meeting revoking or varying the approval and authority given to the Directors by this Resolution.”
7. **As special business**, to consider and if thought fit, pass the following resolution as an ordinary resolution:

“**THAT**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and dispose of shares in the capital of the Company (including any sale or transfer of treasury shares out of treasury, making and granting offer, agreements and options which would or which might require shares to be issued, allotted or disposed of, whether during the Relevant Period or thereafter) otherwise than pursuant to:
 - (i) a rights issue where shares are offered to Shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, or in any territory outside, Hong Kong);

- (ii) any share option scheme or similar arrangement established by the Company and approved by the Stock Exchange;
 - (iii) any issue of shares in the Company upon the exercise of subscription rights attaching to any warrants of the Company which may be issue from time to time; or
 - (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the bye-laws of the Company;
- (b) the aggregate number of shares of the Company issued, allotted, disposed of or otherwise be dealt with (including any sale or transfer of treasury shares (if any) out of treasury) pursuant to paragraph (a) of this Resolution shall not exceed 20 per cent. of the aggregate number of issued shares of the Company (excluding treasury shares, if any) as at the date of passing of this Resolution;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of shares of the Company subject to the limit set out in paragraph (b) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the approval and authority given to the Directors of the Company by this Resolution.”

8. **As special business**, to consider and if thought fit, pass the following resolutions as an ordinary resolution:

“**THAT** conditional upon Resolution Numbers 6 and 7 being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot shares pursuant to Resolution Number 7 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 (including any sale or transfer of treasury shares (if any) out of treasury) pursuant to such general mandate an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to Resolution Number 6 provided that such number of shares so purchased shall not exceed 10 per cent. of the aggregate number of issued shares of the Company at the date of this Resolution.”

9. **As special business**, to consider and if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (or such shares as shall result from a capitalisation issue, rights issue, open offer, subdivision, consolidation or reduction of share capital of the Company from time to time) (the “**Share(s)**”) which may be issued in respect of the share options to be granted under the Share Option Scheme (as defined in the circular of the Company dated 22 July 2024), a copy of which is tabled at the meeting and marked “A” and initialled by the chairperson of the meeting for identification purpose, the Share Option Scheme be and is hereby approved and adopted; and any Director and/or his/her delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including but without limitation:
- (i) to administer the Share Option Scheme under which share options will be granted to the participants under the Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the Share Option Scheme;
- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;

- (iii) to grant share options under the Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the share options to be granted under the Share Option Scheme and subject to the Listing Rules;
 - (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the share options to be granted under the Share Option Scheme and subject to the Listing Rules; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme and subject to the Listing Rules; and
- (b) the total number of Shares which may be issued in respect of all share options and share awards to be granted under the Share Option Scheme and any other share schemes of the Company (“**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue (excluding treasury shares) as at the date of passing of this resolution or the relevant date of approval of the refreshment of the Scheme Mandate Limit.”

SPECIAL RESOLUTION

10. As **special business**, to consider and if thought fit, pass the following resolution as a special resolution:

“THAT

- (a) the proposed alterations to the existing memorandum of association of the Company (the “**Proposed Alterations**”, the details of which are set out in the circular of the Company dated 22 July 2024) be and are hereby approved;
- (b) the Directors be and are hereby authorised to sign, submit and take all acts or steps necessary or required in order to effect the Proposed Alterations pursuant to the requirements of the Companies Act 1981 of Bermuda, as amended.”

By order of the Board
Lau Siu Ki, Kevin
Company Secretary

Hong Kong
22 July 2024

Notes:

- (1) A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy needs not be a Shareholder. In order to be valid, the form of proxy must be deposited with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the Meeting (i.e. not later than 11:00 a.m. on Wednesday, 14 August 2024 (Hong Kong time)) or any adjournment and postponement thereof.

- (2) The register of Members of the Company will be closed from Tuesday, 13 August 2024 to Friday, 16 August 2024 both days inclusive, during which period no transfer of shares will be affected. In order to be eligible to attend and vote at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 12 August 2024.