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If you have sold or transferred all your shares in Artini Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Artini Holdings Limited
雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

**RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Artini Holdings Limited to be held at Suite 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wan Chai, Hong Kong on 30 September 2024 (Monday) at 3:00 p.m. is set out on pages AGM-1 to AGM-6 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting, or any adjournment thereof, should you so wish.

6 September 2024

CONTENTS

| | <i>Page</i> |
|--|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 5 |
| APPENDIX I — EXPLANATORY STATEMENT | I-1 |
| APPENDIX II — PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION | II-1 |
| APPENDIX III — PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME | III-1 |
| NOTICE OF ANNUAL GENERAL MEETING | AGM-1 |

DEFINITIONS

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

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| “Adoption Date” | the date of approval and adoption of the New Share Option Scheme; |
| “AGM” | the annual general meeting of the Company to be held at Suite 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wan Chai, Hong Kong on 30 September 2024 (Monday) at 3:00 p.m.; |
| “AGM Notice” | the notice convening the AGM set out on pages AGM-1 to AGM-6 of this circular; |
| “Board” | the board of Directors; |
| “Bye-laws” | the amended and restated bye-laws of the Company adopted by special resolution passed at a general meeting held on 26 September 2023 (and as amended from time to time); |
| “close associate(s)” | has the same meaning as defined in the Listing Rules; |
| “Company” | Artini Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange; |
| “core connected person(s)” | has the same meaning as defined in the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Eligible Employee” | a person employed by any member of the Group who has successfully passed their probation period and any person who is a director (whether executive or non-executive) of any member of the Group, which shall include any person who is granted option(s) as an inducement to enter into employment contract with any member of the Group; |
| “Eligible Participant(s)” | a person who is an Eligible Employee, Eligible Related Entity Participant or Eligible Service Provider, provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories; |

DEFINITIONS

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| “Eligible Related Entity Participant” | a person who is employed by or is a director (whether executive or non-executive) of any of the holding companies, fellow subsidiaries or associated companies of the Company; |
| “Eligible Service Provider” | a person who provides services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which, in the opinion of the Board, are in the interests of the long term growth of the Group, including: (a) suppliers to any member of; and (b) advisors (professional or others) or consultants to any area of business or business development of any member of the Group, provided that any placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions and professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity should not be Eligible Service Providers for the purpose of the New Share Option Scheme; |
| “Existing Share Option Scheme” | the existing share option scheme of the Company adopted on 26 August 2019; |
| “Extension Mandate” | a general mandate proposed to be granted to the Directors at the AGM to the effect that the Issue Mandate shall be extended by the addition of the number of the Shares of the Company repurchased under the Repurchase Mandate; |
| “Grantee” | any Eligible Participant who accepts an Offer or (where the context so permits) his/her personal representatives; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Issue Mandate” | a general mandate proposed to be granted at the AGM to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares (including any sale or transfer of treasury Shares) up to 20% of the number of issued Shares of the Company as at the date of the AGM; |

DEFINITIONS

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| “Latest Practicable Date” | 30 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “New Share Option Scheme” | the new share option scheme of the Company proposed to be approved at the AGM, a summary of its principal terms is set out in Appendix III to this circular; |
| “Nomination Committee” | the nomination committee of the Company; |
| “Offer” | an offer for the grant of an Option made in accordance with the New Share Option Scheme; |
| “Offer Date” | the date, which must be a business day, on which an Offer is made to an Eligible Participant; |
| “Option(s)” | as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the New Share Option Scheme; |
| “PRC” | the People’s Republic of China; |
| “Rapid Development Limited” | Rapid Development Limited (迅速發展有限公司), a company incorporated in British Virgin Islands and wholly owned by Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司), which is in turn wholly owned by Fuxing Investment Development (Shenzhen) Co., Ltd.* (賦興投資發展(深圳)有限公司), a company owned as to 70% by Mr. Chen, 29% by Ms. Lin Chenjie (林晨潔) (wife of Mr. Chen) and 1% by Mr. Chen Naien (陳乃恩) (brother of Mr. Chen); |
| “Remuneration Committee” | the remuneration committee of the Company; |
| “Repurchase Mandate” | a general mandate proposed to be granted at the AGM to the Directors to exercise all powers of the Company to repurchase Shares up to 10% of the number of the issued Shares of the Company (excluding treasury Shares) as at the date of the AGM; |
| “Scheme Mandate Limit” | as defined in paragraph 3(ii) of Appendix III to this circular; |

DEFINITIONS

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| “Service Provider Submit” | as defined in paragraph 3(iv) of Appendix III to this circular; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | ordinary share(s) of HK\$0.05 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of (a) Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers; |
| “treasury Share(s)” | has the same meaning as defined in the Listing Rules; and |
| “%” | per cent. |

Artini Holdings Limited
雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

Executive Directors:

Mr. Chen Long (*Chairman*)

Mr. Tse Hoi Chau

Mr. Chen Shaojia (*Chief Executive*)

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Mr. Yuen Wai Kin

Mr. Lau Yiu Kit

Mr. Ma Sai Yam

Principal place of business

in Hong Kong:

Unit No. 8502, Level 85

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong

6 September 2024

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with details regarding the resolutions to be proposed at the AGM relating to, among others, (i) the Issue Mandate; (ii) the Repurchase Mandate; (iii) the Extension Mandate; (iv) the re-election of Directors; and (v) the adoption of the New Share Option Scheme. The AGM Notice is set out on pages AGM-1 to AGM-6 of this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Ordinary resolutions will be proposed at the AGM to give the Directors new general mandates:

- (i) to allot, issue and otherwise deal with Shares (including any sale or transfer of treasury Shares) with a total number of Shares not exceeding 20% of the number of issued Shares of the Company (excluding treasury Shares) as at the date of passing the proposed resolution at the AGM;
- (ii) to repurchase Shares with total number of Shares not exceeding 10% of the number of issued Shares of the Company (excluding treasury Shares) as at the date of passing the proposed resolution at the AGM; and
- (iii) to extend the Issue Mandate by the addition to the number of Shares of the Company which may be allotted (or transferred out of treasury) or agreed conditionally or unconditionally to be allotted (or transferred out of treasury) by the Directors pursuant to such general mandate of the number of Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the number of issued Shares of the Company (excluding treasury Shares) at the date of passing of that resolution.

If the share capital of the Company changes as a result of share consolidation or subdivision after the approval of the Issue Mandate, the maximum number of Shares that can be issued will be adjusted accordingly such that the maximum percentage of Shares which may be issued under the Issue Mandate immediately before and after such share capital changes shall be the same.

As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the Issue Mandate is exercised and Shares are placed for cash consideration under the Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
 - (a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the Issue Mandate;
 - (b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the Issue Mandate; and
 - (c) the date on which the placing or subscription price is fixed.

LETTER FROM THE BOARD

In terms of price at which Shares may be issued at time of exercise of the Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

As at the Latest Practicable Date, a total of 1,103,968,128 Shares were in issue. Subject to the passing of ordinary resolutions no. 9 and no. 10 as set out in the AGM Notice and on the basis that no further Shares are issued or repurchased prior to the date of AGM nor outstanding options, if any, granted under the Existing Share Option Scheme being exercised, the Company would be allowed under the Issue Mandate to issue a maximum of 220,793,625 Shares and under the Repurchase Mandate to repurchase up to a maximum of 110,396,812 Shares respectively. If the share capital of the Company changes as a result of a share consolidation or subdivision after the approval of the Repurchase Mandate, the maximum number of Shares that can be repurchased will be adjusted accordingly such that the maximum percentage of Shares which may be repurchased under the Repurchase Mandate immediately before and after such share capital change shall be the same.

The above mandates, unless revoked or varied by way of ordinary resolutions of the Shareholders in general meeting, will expire at the conclusion of next annual general meeting of the Company.

The design of the Issue Mandate and the Repurchase Mandate above has taken into account the fact that since 11 June 2024, the Listing Rules has been amended to introduce flexibility for listed companies to cancel shares repurchased and/or to adopt a framework to (i) allow repurchased shares to be held in treasury and (ii) govern the sale or transfer of treasury shares. Under the current Listing Rules, if the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may (i) cancel the repurchased Shares and/or (ii) hold such Shares in treasury, subject to market conditions and the capital management needs of the Company at the relevant time such repurchases of Shares are made. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the ordinary resolution no. 9 as set out in the AGM Notice and made in accordance with the Listing Rules and applicable laws and regulations of Bermuda.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

As at the Latest Practicable Date, the Company did not have any immediate plan to issue any new Shares (including any sale or transfer of treasury Shares) pursuant to the Issue Mandate or to repurchase any Shares pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 83(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board and that any Director so appointed by the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. Accordingly, Mr. Chen Long, Mr. Chen Shaojia and Mr. Yuen Wai Kin, being the Directors appointed by the Board after the preceding annual general meeting of the Company, will hold office only until the forthcoming AGM in accordance with Bye-law 83(2) and, being eligible, offer themselves for re-election.

Pursuant to Bye-law 84(1), at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Mr. Tse Hoi Chau and Mr. Lau Yiu Kit will retire from office at the AGM by rotation and, being eligible, will offer themselves for re-election at the AGM.

The particulars of the Directors proposed to be re-elected which are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

In accordance with the nomination policy of the Company and the objective criteria (including without limitation, gender, age, ethnicity, cultural and educational background, professional experiences and knowledge) with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, the Nomination Committee has reviewed the re-election of the Directors through:

- (a) evaluating the performance and contribution of the retiring Directors during the last financial year of the Company and the period thereafter up to the date of evaluation; and
- (b) assessing the independence of the independent non-executive Directors, being Mr. Yuen Wai Kin, Mr. Lau Yiu Kit and Mr. Ma Sai Yam, and considered whether they remained independent and suitable to continue to act in such roles.

After due evaluation and assessment, the Nomination Committee is of the opinion that:

- (a) the performance of the retiring Directors was satisfactory and contributed effectively to the operation of the Board; and
- (b) based on the information available to the Nomination Committee and the annual written independence confirmation received from the independent non-executive Directors, the Nomination Committee was satisfied that Mr. Yuen Wai Kin, Mr. Lau Yiu Kit and Mr. Ma Sai Yam:
 - i. fulfill the requirements of an independent non-executive Director as stipulated under 3.13 of the Listing Rules; and

LETTER FROM THE BOARD

- ii. are the persons of integrity and independent in character and judgement.

Accordingly, the Nomination Committee recommended to the Board, and the Board has considered the re-election of Mr. Chen Long, Mr. Tse Hoi Chau and Mr. Chen Shaojia as executive Directors and Mr. Yuen Wai Kin and Mr. Lau Yiu Kit as independent non-executive Directors, is in the best interests of the Company and the Shareholders as a whole and has resolved to propose to re-elect each of the retiring Directors at the AGM.

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 5 September 2024, in relation to, among others, the proposed adoption of the New Share Option Scheme. In view of the Stock Exchange's amendments to the Listing Rules relating to share options schemes and share award schemes of listed issuers which came into effect on 1 January 2023 (the "**Share Schemes Amendments**"), the Board proposes to adopt the New Share Option Scheme in accordance with the Share Schemes Amendments. Accordingly, ordinary resolutions will be proposed at the AGM for adoption of the New Share Option Scheme.

The Existing Share Option Scheme

The adoption date of the Existing Share Option Scheme was 26 August 2019. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective until 25 August 2029, being 10 years after the adoption date of the Existing Share Option Scheme.

As at the Latest Practicable Date, there were no outstanding share options, and 196,812 shares were available for issue under the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme will be terminated upon adoption of the New Share Option Scheme and no further options will be granted under the Existing Share Option Scheme up to the Adoption Date. Termination of the Existing Share Option Scheme shall not affect the validity of the outstanding options (if any) which shall continue to be enforceable according to the terms of the Existing Share Option Scheme.

The New Share Option Scheme

Purpose

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group's businesses. The Company has no intention to use treasury Shares for the New Share Option Scheme.

LETTER FROM THE BOARD

Eligible Participants

The New Share Option Scheme enables the Company to grant Option(s) to Eligible Participant(s) including Eligible Employee(s), Eligible Related Entity Participant(s) and Eligible Service Provider(s).

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the Group.

The Directors (including the independent non-executive Directors) are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to the Eligible Employees to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole.

When considering the eligibility of the Eligible Related Entity Participants, the Board will consider, in its sole discretion, on a case-by-case basis, including, among other things, (i) the responsibility taken up or to be taken up by the Eligible Related Entity Participants towards the success of the Group's operations or enhancing the value of the Company and its Shares; (ii) the measurable positive contributions brought by, or expected to be brought by, the Eligible Related Entity Participant on the Group's business development in terms of financial performance or financial position; (iii) whether the Eligible Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (iv) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Eligible Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Company which may benefit the principal businesses of the Group through a collaborative relationship.

Having considered the basis of determining the eligibility of the Eligible Related Entity Participants, the Directors (including the independent non-executive Directors) consider that (i) the proposed category of the Eligible Related Entity Participants is in line with the Company's business needs and the industry norm of offering equity-based compensation to stakeholders; and (ii) it is advantageous to foster a sustainable, stable and collaborative relationship with the Eligible Related Entity Participants which is vital to the Group's business development. The Directors are of the view that the determination of the eligibility of the Eligible Related Entity Participants as eligible Participants are in line with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

The Eligible Service Providers who may be selected to be granted Options under the New Share Option Scheme are limited to those who provide services to the Group on a continuing or recurring basis in the Group's ordinary and usual course of business and which are conducive to the long-term growth of the Group. While they are not employees of the Group, their specific industry and professional knowledge which will provide insights and expertise to the Group that would make contributions in ways that are similar with other Eligible Participants (including the employees of the Group) within the New Share Option Scheme. Set out below is the types of Eligible Service Providers and the criteria for determining their eligibility to participate in the New Share Option Scheme.

| Types of Eligible Service Providers | Services provided | Factors in considering the eligibility of the Eligible Service Providers |
|--|--|---|
| Suppliers | Suppliers of fashion accessories and skincare and health products, and IT service providers for maintaining and developing the Group's integrated IT systems and online platforms. | The factors the Board would consider include: (i) the performance of the Eligible Service Provider; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the services provided to the Group (such as whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iv) track record in quality of services provided to the Group; (v) the scale of business dealings with the Group; and (vi) the actual or potential contribution to the Group's revenue or profit which is or may be attributable to the Eligible Service Provider. The Company will also consider whether such services are in line with the Company's business need and the industry norm, whether it is desirable and necessary from a commercial perspective, whether it help maintain the competitiveness of the Group as a whole, having regard to the Group's key business and market focus from time to time. |
| Advisors or consultants | Advisors or consultants providing advisory services, consultancy services and/or other professional services to the Group on areas related to research and development, marketing, pricing, regulatory policy, strategic planning, business upgrading and investor relationship. | |

LETTER FROM THE BOARD

In assessing whether a Eligible Service Provider provides services to the Group on a continuing and recurring basis, the Board will take into account factors such as: (i) the duration and nature of products or services provided to the Group in the past six months, and the recurrence and regularity of such products or services; (ii) the length of engagement of the Eligible Service Provider; and (iii) the Group's objectives in engaging the Eligible Service Provider and how the grant of Options to the Eligible Service Provider would align with the purpose of the New Share Option Scheme or benefit the Group and the Shareholders. In assessing whether a Eligible Service Provider provides services to the Group in its ordinary and usual course of business, the Board will take into account factors such as the nature of the services provided to the Group by the Eligible Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted or will be conducted by the Group.

As these Eligible Service Providers often possess industry-specific knowledge or expertise and have extensive experience and understanding of the market, they are able to provide insight to the Group on areas such as market development, technological trends and innovations, production management, as well as marketing. The strategic advice and guidance provided by engaging these Eligible Service Providers benefit the Group in its ordinary and usual course of business and benefit the Group in the global consumer goods industry, which allows the Group to more effectively plan its future business strategies for long-term growth. The Directors (including the independent non-executive Directors) are of the view that the determination of the eligibility of Eligible Service Providers as eligible Participants and the grant of Options to Eligible Service Providers would not only align the interest of the Group with such grantees by incentivising them to provide better services to the Group and/or contribute to the long term business development of the Group, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and deeper involvement in promoting the business of and business relationship with the Group; and (ii) maintaining a stable and long-term cooperation with the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the proposed categories of the Eligible Related Entity Participants and the Eligible Service Providers in the New Share Option Scheme are in line with the Company's business needs or the industry norm, and that the criteria for selection of the Eligible Related Entity Participants and the Eligible Service Providers and the proposed terms of the grants (such as, if any, vesting requirements and performance targets) under the New Share Option Scheme are in line with the purpose of the New Share Option Scheme, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participant(s) to whom the Option(s) shall be granted. The basis of eligibility of the Eligible Participant(s) to an Offer shall be determined by the Directors from time to time in their absolute discretion in accordance with all relevant factors, a summary of which is set out in paragraph 2 of Appendix III to this circular.

LETTER FROM THE BOARD

The Company understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme and the grant of the Options thereunder would not constitute an offer to public, and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were 1,103,968,128 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the Adoption Date, and subject to the passing of the relevant resolutions, the Scheme Mandate Limit will be 110,396,812 Shares, being 10% of the Company's issued share capital (excluding treasury Shares, if any) as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM. The Scheme Mandate Limit (and the Service Provider Sublimit) may however be refreshed as detailed in sub-paragraph (3) of Appendix III to this circular.

The Board has also set the Service Provider Sublimit in respect of the total number of new Shares which may be issued upon exercise of all options and awards to be granted under the New Share Option Scheme and other schemes (if any), to be 1% of the total number of Shares in issue (excluding treasury Shares, if any) on the Adoption Date. The basis for determining the Service Provider Sublimit (namely, 1% of the total number of Shares in issue on the Adoption Date (excluding treasury Shares, if any)) includes the actual or expected contribution in the Group's turnover or profits attributable to the Service Provider(s), the nature of the contributions made by the Service Provider(s) to the Group's business and operations, the potential dilution effect arising from such grant(s) to the Service Provider(s), the need to strike a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the said dilution effect. Taking into account the fact that (i) the individual limit prescribed in Chapter 17 of the Listing Rules is also 1% of the Shares in issue; (ii) the Service Provider Sublimit would not lead to an excessive dilution effect on the shareholdings of the existing Shareholders; (iii) due to the business and operations of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants, advisers, actors, directors, producers, screenwriters, publishers and distributors, who provide services akin to the employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (iv) the New Share Option Scheme can motivate the Service Provider(s) to provide reliable and high-quality services to the Group on a long-term basis which are conducive to the Group's development and success in the long run, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

The Scheme Mandate Limit and the Service Provider Sublimit apply to new Shares which the Company may issue under the New Share Option Scheme and any other share schemes of the Company. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

LETTER FROM THE BOARD

Performance targets

Any grant of options under the New Share Option Scheme may be subject to a performance target (if any) so as to achieve the purpose of the New Share Option Scheme. The performance target, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group including but not limited to (i) business performance and financial performance of the Group such as the profit before tax of the Group (ii) attaining of corporate goals; (iii) individual performance appraisal; and/or (iv) other criteria to be determined by the Board as its absolute discretion from time to time, which shall be set out in the relevant offer letter in relation to the grant of Options issued to each selected Eligible Participant. The Company will evaluate the actual performance and contribution of a Grantee against the performance targets set and form a view as to whether the relevant performance targets have been satisfied. Each performance target may be assessed either on a time basis (i.e., annually or cumulatively over a period of years) to previous years' results or to a designated comparison group, or upon the completion of the milestone event(s) as specified in the relevant offer letter, in each case as specified by the Board or the Remuneration Committee (as the case may be) in its sole discretion. The Board or the Remuneration Committee (as the case may be) shall have the sole discretion in determining whether the relevant performance targets for the Grantee have been met.

The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions, and for the avoidance of doubt, Option(s) will not be granted to Eligible Participants solely based on past contributions; therefore consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant, which aligns with the purpose of the New Share Option Scheme. Where Options are granted to the Directors or senior management of the Company without performance targets, the Company will comply with the requirements under Rule 17.06B(8) of the Listing Rules that the relevant announcement will include the views of the Remuneration Committee on why performance targets are not necessary and how the grants would align with the purpose of the New Share Option Scheme.

Vesting period

The vesting period of the Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, where the Eligible Participant is an Eligible Employee, the Remuneration Committee (in the case where such Eligible Employee is a Director or a senior manager identified by the Company) or the Directors (in the case where such Eligible Employee is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme, including the circumstances set out in paragraph 7 of Appendix III to this circular.

LETTER FROM THE BOARD

To ensure the practicability in fully achieving the purpose of the New Share Option Scheme, the Board and the Remuneration Committee consider that (i) there are certain instances where a strict 12-month vesting requirement may not work or would be unfair to holder(s) of the Options; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition; and (iv) the Company should have flexibility to impose vesting conditions such as performance-based vesting conditions in lieu of time-based vesting criteria depending on individual circumstances. As such, the Board and the Remuneration Committee are of the view that the shorter vesting period as described above and also set out in paragraph 7 of Appendix III to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

Exercise Price

The exercise price of the Options under the New Share Option Scheme, shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the relevant Offer; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of relevant Offer; and (iii) the nominal value of a Share. This is in line with Rule 17.03E of the Listing Rules and the purpose of the New Share Option Scheme to the extent that the Grantees of Options are expected to make effort 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 granted.

Conditions of the adoption of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be issued by the Company pursuant to the exercise of the Option(s) in accordance with the terms and conditions of the New Share Option Scheme; and
- (b) the passing of the necessary resolutions by the Shareholders at the AGM to approve and adopt the New Share Option Scheme, authorise the Directors to grant Option(s) under the New Share Option Scheme and issue Shares pursuant to the exercise of any Option(s) granted.

LETTER FROM THE BOARD

General

The New Share Option Scheme shall be administered by the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall be, in their absolute discretion and subject to the provisions of the New Share Option Scheme, final and binding on all persons who may be affected thereby. As at the Latest Practice Date, the Company did not have any plan to appoint any trustee under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which are proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be published on the Stock Exchange's website and the Company's website for 14 days from the date of this circular.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Option(s) granted under the New Share Option Scheme.

As at the Latest Practicable Date, no Option had been granted or agreed to be granted under the New Share Option Scheme. The Company currently does not have any intention or plan to grant any Option under the New Share Option Scheme.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages AGM-1 to AGM-6 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find an enclosed form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. To the best of Directors' knowledge, no Shareholder is required to abstain from voting on any resolution to be proposed at the AGM.

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 resolutions set out in the AGM Notice including the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of all resolutions as set out in the AGM Notice.

Your attention is also drawn to the additional information set out in Appendix I, Appendix II and Appendix III to this circular.

By Order of the Board
Chen Long
Chairman and Executive Director

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum of association and Bye-laws and the applicable laws of Bermuda.

As compared with the financial position of the Company as at 31 March 2024 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there may be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,103,968,128 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 110,396,812 Shares, representing 10% of the number of Shares in issue (excluding treasury Shares, if any). If the share capital of the Company changes as a result of a share consolidation or subdivision after the approval of the Repurchase Mandate, the maximum number of Shares that can be repurchased will be adjusted accordingly such that the maximum percentage of Shares which may be repurchased under the Repurchase Mandate immediately before and after such share capital change shall be the same.

The above mandate, unless revoked or varied by way of an ordinary resolution of the Shareholders in general meeting, will expire at the conclusion of next annual general meeting of the Company.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and in accordance with the memorandum of association of the Company and the Bye-laws.

6. GENERAL AND EFFECT OF THE TAKEOVERS CODE

The Company may cancel any repurchased Shares 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 CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC Nominees 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 record date for the dividends or distributions, or 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.

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 of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Rapid Development Limited, which is an indirect controlled corporation of Mr. Chen Long, was interested in 708,591,525 Shares, representing approximately 64.19% of the issued Shares of the Company. Mr. Chen Long was therefore interested in approximately 64.19% of the issued Shares of the Company for the purpose of the SFO.

In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate and on the assumption that no further Shares are issued or repurchased from the Latest Practicable Date to the date of the AGM, the shareholding interests of Mr. Chen Long (through Rapid Development Limited) would be increased to approximately 71.32%. As Mr. Chen Long is interested in over 50% of the total voting rights in the Company, even if the Repurchase Mandate is exercised in full, Mr. Chen Long will not be required to make a general offer for all the Shares not already held or agreed to be acquired by him or parties acting in concert with him. The Directors are not aware of any other Takeovers Code implications in respect of any exercise of the Repurchase Mandate. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued Shares of the Company would be in public hands. The Directors will not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares when the Repurchase Mandate is approved and exercised.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. SHARE PRICE

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

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--|-------------------------------|------------------------------|
| 2023 | | |
| August | 0.310 | 0.183 |
| September | 0.239 | 0.185 |
| October | 0.430 | 0.191 |
| November | 0.900 | 0.370 |
| December | 0.760 | 0.630 |
| 2024 | | |
| January | 0.680 | 0.580 |
| February | 0.650 | 0.560 |
| March | 0.630 | 0.560 |
| April | 0.600 | 0.047 |
| May | 0.510 | 0.390 |
| June | 0.455 | 0.375 |
| July | 0.445 | 0.400 |
| August (Up to the Latest Practicable Date) | 0.425 | 0.345 |

The particulars of Directors who are subject to re-election at the AGM and which are required to be disclosed under the Listing Rules are set out below:

Mr. Chen Long — *Executive Director*

Mr. Chen Long (“**Mr. Chen**”), aged 30, was appointed as an executive Director, the chairman of the Board (the “**Chairman**”), a member of the Nomination Committee and the Remuneration Committee with effect from 30 October 2023. He is also one of the authorized representatives of the company under Rule 3.05 of the Listing Rules with effective from 29 November 2023. Mr. Chen holds a bachelor’s degree in E-commerce from Xiamen University of Technology. Mr. Chen is a council member of the Shenzhen Fuzhou Chamber of Commerce and the vice president of the New Social Stratum Association of Bao’an District, Shenzhen. Mr. Chen has over six years of experience in the sales and distribution of consumer goods such as health, cosmetic and electronic products in China. Since July 2019, Mr. Chen has been the executive director and one of the ultimate shareholders of Rapid Investment Development (Shenzhen) Limited, a company which is principally engaged in investment activities with investment in companies engaging in the sales and distribution of consumer goods, including health, cosmetic and electronic products.

As at the Latest Practicable Date, Mr. Chen had the following interests in shares within the meaning of Part XV of the Securities and Futures Ordinance:

| Capacity | Number of Class and Shares held | Percentage |
|--------------------------------------|---|------------|
| Interest in a controlled corporation | 708,591,525 ordinary Shares (<i>Note</i>) | 64.19% |

Note:

These Shares are held by Rapid Development Limited which is wholly owned by Rapid Investment Development (Shenzhen) Limited, which is in turn wholly owned by Fuxing Investment Development (Shenzhen) Co., Ltd., a company owned as to 70% by Mr. Chen. Mr. Chen, through Rapid Development Limited, is deemed to be interested in 708,591,525 shares of the Company, representing approximately 64.19% of the total issued share capital of the Company as of the date of this announcement under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Chen has entered into a service contract with the Company, pursuant to which he has been appointed for an initial term of three years commencing from 30 October 2023. Mr. Chen is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Mr. Chen is entitled to a director’s fee of HK\$300,000 per annum without any variable remuneration for acting as an executive Director. Mr. Chen has also entered into employment contracts with subsidiaries of the Company under which he is entitled to receive an aggregate annual remuneration of approximately HK\$1.6 million and is eligible for discretionary bonus and other allowances. Such emoluments have been determined with reference to his duties and responsibilities with the Group, the Group’s remuneration policy and the prevailing market conditions.

Save as disclosed above, (i) Mr. Chen has not held any other directorships in any public companies of which the securities are listed on any securities market in Hong Kong or overseas in the past 3 years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Tse Hoi Chau — *Executive Director*

Mr. Tse Hoi Chau (“**Mr. Tse**”), aged 57, was appointed as the chairman of the Board (the “**Chairman**”), an executive Director and a member of the Remuneration Committee and the Nomination Committee on 10 December 2012 and was further appointed as chief executive of the Company (the “**Chief Executive**”) on 21 June 2013 and then resigned as the Chief Executive on 8 August 2019. He had stepped down from the position as Chairman, and also his position as a member of Nomination Committee and Remuneration Committee on 30 October 2023. He is also one of the authorized representatives of the Company under Rule 3.05 of the Listing Rules and ceased to act as an authorized representative on 29 November 2023. He possesses more than 20 years’ experience in the fashion ornament and jewellery wholesale industry. He is the deputy-chairman of Guangdong Province Fashion Jewelry and Accessories Association, the executive chairman of the China Jewelry Association Fashion Ornament Chapter and a life honorary president of Hong Kong Island Chaoren Association Limited.

Mr. Tse has entered into a service contract with the Company for a term of 3 years commencing on 29 June 2021 and can be terminated by either party by giving at least 3 months’ notice in writing or such shorter period as both parties may agree. Mr. Tse does not receive any director's fee for acting as an executive Director. Mr. Tse has also entered into an employment contract with a subsidiary of the Company under which he is entitled to receive an annual remuneration of RMB1.2 million and is eligible for discretionary bonus and other allowances, which is determined on the basis of his previous experience, professional qualifications as well as the current financial position of the Company and the prevailing market conditions.

Save as disclosed above, (i) Mr. Tse has not held any other directorships in any public companies of which the securities are listed on any securities market in Hong Kong or overseas in the past 3 years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chen Shaojia — *Executive Director*

Mr. Chen Shaojia (“**Mr. Chen Shaojia**”), aged 42, was appointed as an executive Director and the Chief Executive with effect from 29 November 2023. Mr. Chen Shaojia has over 20 years of experiences in enterprise management, strategy formulation and finance. Since June 2018, Mr. Chen Shaojia has been the executive director of Hengji Cultural Information Technology (Shenzhen) Co., Ltd. From August 2017 to September 2018, he was the deputy general manager and chief financial officer of Shenzhen Qiantai Energy Regeneration Technology Co., Ltd. From January 2007 to December 2015, he had been the financial manager, chief financial officer, deputy general manager and directors in various subsidiaries of Veson Holdings Limited (formerly known as SCUD Group Limited), a company listed on the Stock Exchange (Stock Code: 1399), and his last position was a director of SCUD Power (Shenzhen) Co., Ltd. Mr. Chen Shaojia obtained a bachelor’s degree in accounting from Fuzhou University and a master’s degree in business administration from School of Business of Hong Kong Baptist University in December 2007 and November 2013, respectively. He was qualified as a Senior Accountant and a Senior Economist by Shenzhen City Senior Professional Title Evaluation Committee in Accounting Sector and Shenzhen City Secondary Senior Economist Title Evaluation Committee in July 2020 and April 2023, respectively. He obtained the International Accountant Qualification Certificate issued by China Association of Chief Financial Officers in November 2017. Mr. Chen Shaojia obtained Senior International Finance Manager Certificate jointly issued by China Association of Chief Financial Officers and Association of International Accountants in August 2012, and Certified Senior Enterprise Risk Manager Certificate issued by Asia Association of Risk and Crisis Management in October 2012, respectively. Mr. Chen Shaojia has received numerous prestigious public honors and appointments. He was awarded the Certificate for High-Level Professional in Shenzhen by the Human Resources and Social Security Bureau of Shenzhen Municipality in December 2015 and the Certificate of Outstanding Professionals List of the 2020 Guangdong-Hong Kong-Macao Greater Bay Area Enterprises Innovative Power List by the Federation of Shenzhen Industries in May 2021. He was appointed as a mediation specialist of the Jewellery Industry (Joint) Rights Defense Center by the Shenzhen Luohu Genuine Traceability Jewellery Technology Research Institute in November 2019 and was appointed as a mediator by the Luohu People’s Mediation Committee of Jewellery Industry in June 2021. And he was awarded the Certificate of Recognized International Arbitrator by International Dispute Resolution and Risk Management Association in August 2020.

Mr. Chen Shaojia has entered into a service contract with the Company, pursuant to which he has been appointed for an initial term of three years commencing from 29 November 2023. Mr. Chen Shaojia is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Mr. Chen Shaojia is entitled to a director’s fee of HK\$300,000 per annum without any variable remuneration for acting as an executive Director. Mr. Chen Shaojia has also entered into employment contracts with subsidiaries of the Company under which he is entitled to receive an aggregate annual remuneration of approximately HK\$1.2 million and is eligible for discretionary bonus and other allowances. Such emoluments have been determined with reference to his duties and responsibilities with the Group, the Group’s remuneration policy and the prevailing market conditions.

Save as disclosed above, (i) Mr. Chen Shaojia has not held any other directorships in any public companies of which the securities are listed on any securities market in Hong Kong or overseas in the past 3 years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; and (iv) he does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Yuen Wai Kin — *Independent Non-Executive Director*

Mr. Yuen Wai Kin (“**Mr. Yuen**”), aged 38, was appointed as an independent non-executive Director with effect from 29 November 2023. Mr. Yuen will also be appointed as the chairman of the Audit Committee, member of the Remuneration Committee and the chairman of the Nomination Committee with effect from 29 November 2023. Mr. Yuen has over 13 years of experience in accounting, finance and corporate secretarial matters gained from international accounting firm and Hong Kong listed companies. Since November 2022, Mr. Yuen has acted as the chief financial officer of DRJ Limited, a Hong Kong Trust or Company Service Provider licensed by Hong Kong Companies Registry and major subsidiary of Rogue Station Companies Inc (of which shares are trading in U.S. OTC markets, stock code: RGST). In addition, since October 2019, he has also acted as the sole director of RJK Professional Service Limited, a private limited company incorporated in Hong Kong, which provides training service in area of regulatory compliance and corporate governance practices. Prior to joining DRJ Limited, from March 2022 to May 2022, he served as Senior Finance Manager and Company Secretary of Domaine Power Holdings Limited (formerly known as Hifood Group Holdings Co., Limited, a company listed on the Stock Exchange, Stock Code: 442). From March 2020 to December 2021, Mr. Yuen worked at Gemilang International Limited, a company listed on the Stock Exchange (Stock Code: 6163), and his last position was Group Financial Controller and Company Secretary. Mr. Yuen obtained a bachelor’s degree in accountancy and a master’s degree in corporate governance from The Hong Kong Polytechnic University in October 2009 and August 2018 respectively. He is a Chartered Secretary and a Chartered Governance Professional and a member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. Mr. Yuen is also a member of The Hong Kong Institute of Certified Public Accountants.

Under the appointment letter entered into between Mr. Yuen and the Company, Mr. Yuen was appointed for a term of one year commencing from 29 November 2023 with an annual remuneration of HK\$120,000, which is determined on the basis of his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, Mr. Yuen (i) has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past 3 years; (ii) has not held any other positions in the Company and its subsidiaries; (iii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; and (iv) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Lau Yiu Kit (“Mr. Lau”) — *Independent Non-Executive Director*

Mr. Lau Yiu Kit (“**Mr. Lau**”), aged 64, was appointed as independent non-executive Director on 1 December 2010. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Albert Lau is the sole proprietor and founder of Albert Y.K. Lau & Co., Certified Public Accountants. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England and Wales and the Taxation Institute of Hong Kong. Mr. Albert Lau was appointed on 23 March 2015 as independent non-executive director of Titan Petrochemicals Group Limited (which is listed on the main board of the Stock Exchange) and resigned from that position on 30 September 2015. He was also appointed as independent non-executive director of FDB Holdings Limited (Stock Code: 1826) from September 2015 to January 2018, which listing was transferred from the Growth Enterprise Market (now known as GEM) to the main board of the Stock Exchange in July 2017, and resigned from that position on 12 January 2018.

Pursuant to Provision B.2.3 of Appendix C1 of the Listing Rules, if an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders. Mr. Lau has served on the Board for more than 9 years. As an independent non-executive director with extensive experience and knowledge in corporate operating management and in-depth understanding of the Company’s operations and business, Mr. Lau has expressed objective views and given independent guidance to the Company over the years, and he continues demonstrating a firm commitment to his role. Mr. Lau has also made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

The nomination committee of the Company considers that the long service of Mr. Lau would not affect his exercise of independent judgement and is satisfied that Mr. Lau has the required character, integrity and experience to continue fulfilling the role of an independent non-executive director. The Board is of the view that Mr. Lau meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of guidelines. The Board considers the re-election of Mr. Lau as an independent non-executive Director is in the best interest of the Company and Shareholders as a whole.

Mr. Lau has entered into a letter of appointment with the Company for a term of 3 years commencing on 29 June 2021 which may be terminated by either party by giving at least 3 months’ prior notice in writing. Mr. Lau is entitled to a fee of HK\$120,000 per annum, which is determined on the basis of his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, Mr. Lau (i) has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past 3 years; (ii) has not held any other positions in the Company and its subsidiaries; (iii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; and (iv) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Set out below is a summary of the principal terms and conditions of the New Share Option Scheme to provide sufficient information to the Shareholders for their consideration of the New Share Option Scheme proposed to be adopted at the AGM.

(1) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is:

- (i) to attract and retain the best quality personnel for the development of the Group's businesses;
- (ii) to provide additional incentives or rewards to selected Eligible Participants (as defined below) for their contribution to the creation of the Company's value; and
- (iii) to promote the long term financial success of the Group by aligning the interest of any Grantee(s) to those of the Shareholders.

(2) WHO MAY JOIN

On and subject to the terms of the New Share Option Scheme the requirements of the Listing Rules, the Board shall be entitled at any time during the term of the New Share Option Scheme to make an offer for the grant of option to any the following Eligible Participant(s) as the Board may in its absolute discretion select:

- (i) any Eligible Employee (for the avoidance of doubt, a Grantee shall not cease to be an Eligible Employee only by reason of (a) any leave of absence approved by his/her employing or engaging company; or (b) transfers between members of the Group or any successor);
- (ii) any Eligible Related Entity Participant; or
- (iii) any Eligible Service Provider.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by such Eligible Participant which are beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought or may bring to the Group's business and development and whether making an Offer to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

Eligible Related Entity Participants

When considering the eligibility of the Eligible Related Entity Participants, the Board will consider, in its sole discretion, on a case-by-case basis, including, among other things, (i) the responsibility taken up or to be taken up by the Eligible Related Entity Participants towards the success of the Group's operations or enhancing the value of the Company and its Shares; (ii) the measurable positive contributions brought by, or expected to be brought by, the Eligible Related Entity Participant on the Group's business development in terms of financial performance or financial position; (iii) whether the Eligible Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (iv) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Eligible Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Company which may benefit the principal businesses of the Group through a collaborative relationship.

Eligible Service Providers

The Eligible Service Providers who may be selected to be granted Options under the New Share Option Scheme are limited to those who provide services to the Group on a continuing or recurring basis in the Group's ordinary and usual course of business and which are conducive to the long-term growth of the Group. While they are not employees of the Group, their specific industry and professional knowledge which will provide insights and expertise to the Group that would make contributions in ways that are similar with other Eligible Participants (including the employees of the Group) within the New Share Option Scheme.

The types of Eligible Service Providers are mainly suppliers of fashion accessories and skincare and health products, and IT service providers for maintaining and developing the Group's integrated IT systems and online platforms; and advisors or consultants providing advisory services, consultancy services and/or other professional services to the Group on areas related to research and development, marketing, pricing, regulatory policy, strategic planning, business upgrading and investor relationship.

When considering the eligibility of the Eligible Service Providers, the Board will consider, in its sole discretion, on a case-by-case basis, including, among other things, (i) the performance of the Eligible Service Provider; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the services provided to the Group (such as whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iv) track record in quality of services provided to the Group; (v) the scale of business dealings with the Group; and (vi) the actual or potential contribution to the Group's revenue or profit which is or may be attributable to the Eligible Service Provider. The Company will also consider whether such services are in line with the Company's business need and the industry norm, whether it is desirable and necessary from a commercial perspective, whether it help maintain the competitiveness of the Group as a whole, having regard to the Group's key business and market focus from time to time.

In assessing whether a Eligible Service Provider provides services to the Group on a continuing and recurring basis, the Board will take into account factors such as: (i) the duration and nature of products or services provided to the Group in the past six months, and the recurrence and regularity of such products or services; (ii) the length of engagement of the Eligible Service Provider; and (iii) the Group's objectives in engaging the Eligible Service Provider and how the grant of Options to the Eligible Service Provider would align with the purpose of the New Share Option Scheme or benefit the Group and the Shareholders. In assessing whether a Eligible Service Provider provides services to the Group in its ordinary and usual course of business, the Board will take into account factors such as the nature of the services provided to the Group by the Eligible Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted or will be conducted by the Group.

(3) MAXIMUM NUMBER OF SHARES

- (i) Prior to the approval of a Refreshed Mandate Limit (as defined below), the maximum aggregate number of Shares which may be allotted and issued or transferred by the Company upon exercise of all options which may be granted under the New Share Option Scheme and any options or awards under any other schemes to be adopted by the Company from time to time (including, for the avoidance of doubt, such maximum aggregate number of Shares which may be allotted and issued or transferred by the Company upon exercise of the service providers' options under the Service Provider Sublimit (as defined below)) is 110,396,812 Shares, being no more than 10% of the Shares in issue (excluding treasury Shares) on the Adoption Date (the "**Initial Mandate Limit**").
- (ii) The Company may refresh the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be) (the "**Scheme Mandate Limit**") by ordinary resolution of the Shareholders after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the Scheme, as the case maybe). Any proposal for refreshing the Scheme Mandate Limit before the end of such three year period must be approved by the independent Shareholders. In no event that the maximum aggregate number of Shares which may be allotted and issued or transferred by the Company under the Scheme Mandate Limit as refreshed (the "**Refreshed Mandate Limit**") may exceed 10% of the Shares in issue (excluding treasury Shares) as at the date of approval of the Refreshed Mandate Limit.
- (iii) The Board may seek separate approval of the Shareholders in general meeting to grant options beyond the Initial Mandate Limit or the Refreshed Mandate Limit, provided that the options in excess of the Initial Mandate Limit or the Refreshed Mandate Limit shall be granted only to such Eligible Participant(s) and for such number and terms specifically identified and determined by the Company before such approval is sought.

- (iv) Subject to available Scheme Mandate Limit and prior to the approval of a Refreshed Sublimit (as defined below), the maximum aggregate number of Shares which may be allotted and issued or transferred by the Company upon exercise of all options which may be granted under the New Share Option Scheme and any options or awards under any other share schemes to be adopted by the Company from time to time to the Eligible Service Providers (the “**Service Provider Sublimit**”) must not exceed such number of Shares representing 1% of the Shares in issue (excluding treasury Shares) on the Adoption Date (the “**Initial Sublimit**”). The Company may, conditional upon the obtaining of the required approval for the Refreshed Mandate Limit, refresh the Initial Sublimit by a separate ordinary resolution of the Shareholders (or the independent Shareholders, as the case may be) in general meeting where approval for the Refreshed Mandate Limit is sought. In no event that the Service Provider Sublimit as refreshed (the “**Refreshed Sublimit**”) may exceed 10% of the Refreshed Mandate Limit.

The Board considers that the Service Provider Sublimit is appropriate and reasonable taking into account (i) the grant of options to the Eligible Service Providers will be decided on a case-by-case basis based on his/her contributions to the development and growth of the Group from time to time; (ii) the maximum possible number of options that the Company intends to grant to the Eligible Service Providers and the Company’s future business and development plan; and (iii) the major portion of the Scheme Mandate Limit to be reserved for grants to Eligible Participants other than the Eligible Service Providers.

- (v) For the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit, as the case may be:
- (A) options previously granted under the New Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed, vested or exercised) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;
 - (B) options previously granted to Eligible Service Providers (including those outstanding, cancelled, lapsed, vested or exercised) will not be regarded as being utilised for the purpose of calculating the Service Provider Sublimit;

- (C) in event the Company cancels a Grantee's options and makes a new grant to such Grantee, the options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Service Provider Sublimit, as the case maybe); and
- (D) Shares issued and allotted as a result of vesting or exercise of options or awards previously granted under the New Share Option Scheme and any other share schemes of the Company will not be counted for the purpose of determining the number of Shares in issue at the date of the relevant Shareholders' meeting.

(4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

- (i) There is no limit on the maximum entitlement of a Grantee under the New Share Option Scheme.
- (ii) The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) together with all other options and awards granted under the New Share Option Scheme and any other schemes of the Company in any 12-month period up to and including the date of such grant to each Grantee must not exceed 1% of the Shares in issue (excluding treasury Shares).
- (iii) Where any further grant of options to a Grantee would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person together with all other options and awards (excluding all options and awards lapsed in accordance with the terms of the schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury Shares), such grant shall be subject to separate approval by the Shareholders in general meeting with the relevant Grantee and his/her close associates (or associates if the Grantee is a connected person) abstaining from voting.

(5) GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDER

- (i) Subject to paragraph (4) above, where any offer of an option is proposed to be made to an Eligible Participant who is a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder or any of their respective associates, under the New Share Option Scheme or any other share scheme of the Company or its subsidiaries, such offer must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option in question).

- (ii) In case of (A) any change in the terms of options granted to a substantial Shareholder or independent non-executive Director, or any of their respective associates, or (B) where any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options and other options and awards already granted (excluding those lapsed or cancelled in accordance with the terms of the New Share Option Scheme) to such person under the New Share Option Scheme and any other share scheme(s) of the Company in the 12-month period up to and including the date of the offer, representing in aggregate over 0.1% of the number of Shares in issue; such further grant of options must be approved by the Shareholders in general meeting.

- (iii) Subject to (iv) below, at such general meeting, the grant of options to the substantial Shareholder or independent non-executive Director (or any of their respective associates or any person whose associate is a substantial Shareholder or an independent non-executive Director) shall be approved by the Shareholders in compliance with the requirements under the Listing Rules for voting at such meeting.

- (iv) (i), (ii) and (iii) above shall only apply for so long and insofar as the Listing Rules so require. For the purpose of seeking the approval of the Shareholders under paragraphs (3)(iii), (4) and (5)(ii) above, the Company shall send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

(6) TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An offer under the New Share Option Scheme shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days from the Offer Date.

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined by the Board and specified in the letter to the Grantee (the “**Option Period**”), which shall be 10 years (or such shorter period as may be separately specified in the letter to the Grantee) from the date on which the option is granted or deemed to have been granted (the “**Commencement Date**”).

An offer shall have been accepted by a Grantee when the duplicate letter comprising acceptance of the option duly signed by Grantee together with a remittance in favour of the Company of HK\$1.00 as consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any offer may be accepted by an eligible participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a number of shares equal to a board lot for the purposes of trading shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the acceptance of the offer.

(7) VESTING PERIOD

The vesting period in respect of any Option granted to any Eligible Participant shall not be less than 12 months from the Offer Date, provided that where the Eligible Participant is an Eligible Employee, the Remuneration Committee (in the case where such Eligible Employee is a Director or a senior manager identified by the Company) or the Directors (in the case where such Eligible Employee is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme, including where:

- (a) grants of “make-whole” Options to Eligible Employees who newly join the Group to replace the share options they forfeited when leaving the previous employers;
- (b) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;

- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted; or
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months.

(8) PERFORMANCE TARGETS

Any grant of options under the New Share Option Scheme may be subject to a performance target (if any) so as to achieve the purpose of the New Share Option Scheme. The performance target, if any, shall be based on the performance of the Eligible Participant and/or the operating or financial performance of the Group including but not limited to (i) business performance and financial performance of the Group such as the profit before tax of the Group (ii) attaining of corporate goals; (iii) individual performance appraisal; and/or (iv) other criteria to be determined by the Board as its absolute discretion from time to time, which shall be set out in the relevant offer letter in relation to the grant of options issued to each selected Eligible Participant.

(9) EXERCISE PRICE FOR SHARES

The exercise price in respect of any option shall be such price as the Board may in its absolute discretion determine at the time of grant, provided that it shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Commencement Date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Commencement Date; and (iii) the nominal value of a Share.

(10) RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of the Bye-laws (as may be amended from time to time) and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Shares are allotted to a Grantee pursuant to the exercise of an option (the “**Allotment Date**”) or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date, or if later, before the date of registration of the allotment in the register of members of the Company. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the Shares are allotted and issued to him or her under the terms of the New Share Option Scheme.

(11) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

An offer of the grant of an option may not be made after inside information (as defined in the Listing Rules) has come to the Company’s knowledge until (and including) the trading day after such inside information has been publicly disseminated in accordance with the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require (as may be amended from time to time), no option may be granted during the period commencing 30 days immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

(12) PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective commencing from the date of the New Share Option Scheme becoming unconditional upon fulfilment of the conditions set out in paragraph (24) below until the termination date as provided therein (which being the close of business of the Company on the date which falls 10 years from the date of the adoption of the New Share Option Scheme).

(13) RIGHTS UPON CEASING EMPLOYMENT

If the Grantee is an Eligible Employee and in the event of him/her ceasing to be an Eligible Employee for any reason other than on one or more of the grounds specified in paragraphs (14) and (15) below before exercising the option in full, the option (to the extent not already exercised) shall lapse immediately and not be exercisable by the Grantee (to the extent such option not become exercisable and not already exercised) on the date on which the Grantee ceases to be an Eligible Participant due to any of the following events:

- (i) the termination of employment of the Grantee by reason of resignation; or
- (ii) termination of employment of the Grantee on the grounds of having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with creditors generally or redundancy (“Cause”), whereby a resolution of the Board to the effect that the Grantee or relevant Eligible Participant has or has not ceased to be an Eligible Participant for Cause shall be conclusive.

(14) RIGHTS ON DEATH, DISABLEMENT OR RETIREMENT

If the Grantee is an Eligible Employee and in the event of his or her ceasing to be an Eligible Employee by reason of his death, total permanent physical or mental disablement or retirement under normal retirement conditions before exercising the option(s) in full, such option(s) may be exercised (to the extent vested but not yet exercised) (or, as the case may be, his or her legal personal representative(s)) within a period of 6 months following the date on which the Grantee ceases to be an Eligible Employee.

(15) MISCONDUCT, MISSTATEMENT IN FINANCIAL STATEMENTS OF THE GROUP AND BREACH OF EMPLOYMENT CONTRACT

In the event the Board determines that the Grantee:

- (i) has committed a Misconduct (as defined below);
- (ii) is involved in a material misstatement in the Company’s financial statements;

- (iii) has committed a breach of the employment contract or, as the case maybe, the services agreement of the Grantee;
- (iv) the employment or, as the case maybe, the services agreement of the Grantee has been terminated on the grounds of Misconduct (as defined below);
- (v) whose conduct, in the reasonable opinion of the Board, amounts to gross negligence, fraud or dishonesty which results in or reasonably likely to result in a significant reputation damage to the Group or a material adverse effect to the financial position, business, prospects, performance or profitability of the Group.

The Board may at its absolute discretion forfeit all the outstanding option(s) granted to the relevant Grantee but not yet vested and exercised without the approval of the relevant Grantee.

A misconduct (“**Misconduct**”) in relation to a Grantee refers to:

- (i) the Grantee being an Eligible Employee or an Eligible Related Entity Participant wilfully disobeys a lawful and reasonable order, or misconducts himself/herself, or is guilty of fraud or dishonesty, or is habitually neglectful in his/her duties, or any other events which result in a summary dismissal of his/her employment; or
- (ii) the Grantee being an Eligible Service Provider without reasonable excuse or justification wilfully neglects or fails to perform his/her duty or acts in a manner that a reasonable person would consider seriously improper.

(16) RIGHTS ON TAKEOVER

In the event of a general offer, whether by way of take-over offer, or share repurchase offer, or scheme of arrangement or otherwise in like manner, is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use its best endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full (to the extent not yet exercised) of the option(s) granted to them, Shareholders. If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his or her legal personal representative(s)) shall be entitled to exercise the option(s) in full (to the extent vested but not yet exercised) at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional, following which the option(s) shall lapse.

(17) RIGHTS ON WINDING UP

In the event a notice is given by the Company to the 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, each Grantee shall be entitled to exercise all or part of his/her option (to the extent vested but not yet exercised) at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

If the option is not exercised within the time specified, the option shall lapse.

(18) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS MEMBERS OR CREDITORS

If a compromise or arrangement between the Company and the members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies (including a takeover by way of a scheme of arrangement), the Company shall give notice to the Grantees on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise, arrangement or scheme, and thereupon the options shall vest or otherwise become immediately exercisable and the Grantees may until the expiry of the period commencing on such date and ending with the earlier of the date two calendar months thereafter or the date on which such compromise, arrangement or scheme is sanctioned by the court (but in any case no later than the expiration of the term of such option as set forth in the option agreement), exercise the options (to the extent already vested but not already exercised) but in each case conditional upon such compromise, arrangement or scheme being sanctioned by the court and becoming effective, and upon such compromise, arrangement or scheme becoming effective, all options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise, arrangement or scheme.

If the option is not exercised within the time specified, the option shall lapse.

(19) REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding adjustment (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised;
- (ii) the exercise price;
- (iii) the method of exercise of the option; and/or
- (iv) the maximum number of Shares under the Scheme Mandate Limit and/or the Service Provider Sublimit,

as the auditors or an independent financial adviser shall certify in writing to the Board either generally or as regard to any particular Grantee to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that:

- (i) any such adjustment shall be made on the basis that the aggregate exercise price payable by a Grantee on the full exercise of any option shall remain the same, or as nearly the same as possible as (but shall not be greater than) it was before such event;
- (ii) no such adjustment shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) no such adjustment shall be made if the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the options held by such Grantee; and
- (iv) any such adjustment shall be made in compliance with the Listing Rules and such other guideline or supplementary guidance as may be issued by the Stock Exchange from time to time.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

(20) CANCELLATION OF OPTIONS

Subject to the provisions in the New Share Option Scheme and the Listing Rules, any option granted but not exercised may be cancelled by the Company with the approval of the relevant Grantee.

Where the Company cancels any option granted to a Grantee but not exercised and issues new option(s) to the same Grantee, the grant of such new option(s) may only be made under the New Share Option Scheme with available mandate. Within the limits set out at paragraphs (3) and (4) above, the cancelled options shall not be added back to replenish the Scheme Mandate Limit.

(21) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further options will be offered after the New Share Option Scheme is terminated but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. All options granted prior to such termination and not then exercised or in respect of which Shares are not then issued shall remain valid.

(22) PERSONAL RIGHT TO THE GRANTEE

An option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option, or enter into any agreement so to do.

To the extent permissible by applicable laws and regulations (including the Listing Rules) and subject to the grant of waiver and the imposition of any conditions on the transfer by the Stock Exchange, a Grantee may transfer his/her option to a vehicle (such as a trust or to a wholly owned company) for the sole benefit of such Grantee and/or any family members of the Grantee and at the absolute discretion of the Grantee, provided that the option so assigned would continue to meet the purpose of the New Share Option Scheme and will be reassigned back to the Grantee once the assignee ceased to be holding such option on the aforesaid basis.

(23) LAPSE OF OPTION

An option (or any part thereof as the Board may determine) shall lapse and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the Grantee ceasing to be an Eligible Participant;
- (ii) the expiry of the Option Period;
- (iii) the expiry of any of the relevant periods referred to in paragraphs above; and
- (iv) the date on which the Board certifies that for the reason of a breach of paragraph (22).

(24) OTHERS

- (i) The New Share Option Scheme shall take effect subject to and conditional upon: (A) the passing of the resolutions by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant options pursuant to this Scheme and to allot and issue Shares pursuant to the exercise of any options (including the passing of a separate resolution by the Shareholders approving the grant of options under the New Share Option Scheme to the Eligible Service Providers and the Service Provider Sublimit); and (B) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the New Share Option Scheme.
- (ii) The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or proposed Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Bye-laws for a variation of the rights attached to the Shares.

- (iii) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of options granted, shall be approved by the Shareholders except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (iv) Any change to the terms of the options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options was approved by the Board, the Remuneration Committee, the independent non-executive Director and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (v) The amended terms of the New Share Option Scheme must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (vi) Any change to the authority of the Board to alter the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

Artini Holdings Limited 雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

NOTICE IS HEREBY GIVEN that an annual general meeting of Artini Holdings Limited (the “**Company**”) will be held at Suite 2703, 27/F., Shui On Centre, Nos. 6-8 Harbour Road, Wan Chai, Hong Kong on 30 September 2024 (Monday) at 3:00 p.m. for the proposing and, if thought fit, passing, with or without amendments, the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2024 and the reports of the directors and the auditor of the Company.
2. To re-elect Mr. Chen Long as a director of the Company.
3. To re-elect Mr. Tse Hoi Chau as a director of the Company.
4. To re-elect Mr. Chen Shaojia as a director of the Company.
5. To re-elect Mr. Yuen Wai Kin as a director of the Company.
6. To re-elect Mr. Lau Yiu Kit as a director of the Company.
7. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company for the year ending 31 March 2025.
8. To re-appoint CL Partners CPA Limited as the auditor of the Company and authorise the board of directors of the Company to fix their remuneration.

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

ORDINARY RESOLUTIONS

9. “**THAT:**
 - (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares, including any sale and transfer of shares out of treasury that are held as treasury shares (which shall have

NOTICE OF ANNUAL GENERAL MEETING

the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited), in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the number of issued shares of the Company (excluding treasury shares, if any) on the day of passing this resolution (or such number of shares as adjusted to the extent there is a change to the number of the total issued shares of the Company after the date of passing this resolution as a result of sub-division or consolidation of shares); and
- (D) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and bye-laws of the Company or any applicable law of Bermuda to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

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

10. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the number of share of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the number of issued shares of the Company (excluding treasury shares, if any) on the day of passing this resolution (or such number of shares as adjusted to the extent there is a change to the number of the total issued shares of the Company after the date of passing this resolution as a result of sub-division or consolidation of shares); and

NOTICE OF ANNUAL GENERAL MEETING

(D) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and bye-laws of the Company or any applicable law of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

11. “**THAT** conditional upon the passing of ordinary resolutions nos. 9 and 10 in the notice convening the annual general meeting of the Company, the number of shares of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 10 shall be added to the number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company (including any sale and transfer of shares out of treasury that are held as treasury shares) pursuant to and in accordance with the said ordinary resolution no. 9.”

12. “**THAT**

- (i) conditional upon the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (the “**New Share Option Scheme**”), a draft of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, representing an amount (the “**General Scheme Limit**”) up to 10 per cent. of the issued shares (excluding treasury Shares, if any) of the Company as at the day on which this resolution is passed, with effect from the close of business of the day on which this resolution is passed, the rules of the New Share Option Scheme be approved and adopted and the directors of the Company be and they are hereby authorised: (a) to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected to by the Stock Exchange; (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Share Option Scheme; (c) to allot, issue and deal with shares of the Company pursuant

NOTICE OF ANNUAL GENERAL MEETING

to the exercise of options granted under the New Share Option Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time be adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and (d) to take all such steps as may be necessary, desirable or expedient to carry the New Share Option Scheme into effect; and

(ii) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company adopted on 26 August 2019 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

13. “**THAT** conditional upon the passing of resolution 12 above, the Service Provider Sublimit (as defined in the circular of the Company dated 6 September 2024), being 1 per cent. of the issued shares of the Company (excluding treasury shares, if any) on the day of passing this resolution, be and is hereby approved and adopted and that the board of directors of the Company or a committee thereof be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

By Order of the Board

Chen Long

Chairman and Executive Director

Hong Kong, 6 September 2024

Executive Directors

Mr. Chen Long (*Chairman*)

Mr. Tse Hoi Chau

Mr. Chen Shaojia (*Chief Executive*)

Independent non-executive Directors

Mr. Yuen Wai Kin

Mr. Lau Yiu Kit

Mr. Ma Sai Yam

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at a general meeting of the Company. A proxy need not be a member. In addition, a proxy representing either a member who is an individual or a member who is a corporation shall be entitled to exercise the same powers on behalf of the member which he/she/it represents as such member could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any), under which it is signed or a certified copy of such power or authority shall be delivered to the Company's branch share registrar in Hong Kong, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof, at which the person named in the instrument proposes to vote.
4. Members whose names appear on the register of members of the Company on Monday 23 September 2024 will be entitled to attend and vote at the annual general meeting. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday 23 September 2024.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened (or any adjournment thereof).
6. Where there are joint holders of any share, any one of such joint holder may vote either in person or by proxy in respect of such share as if he/she/it was solely entitled thereto; but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong any time after 12:00 noon on the date of the annual general meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.artini.com.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.