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If you have sold or transferred all your shares in Winfull Group Holdings Limited, you should at once hand this circular to the purchaser or the transferee, or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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WINFULL GROUP HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

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

A notice convening an annual general meeting (the "AGM") of Winfull Group Holdings Limited (the "Company") to be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 26 November 2021 at 11:00 a.m. or any adjournment thereof is set out on pages 28 to 32 of this circular. A form of proxy is enclosed with this circular. Whether or not you intend to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Wednesday, 24 November 2021 at 11:00 a.m.) for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the AGM or any adjournment thereof if they so wish.

27 October 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at inquiry@winfullgroup.hk. If any shareholder has any question relating to the meeting, please contact Tricor Tengis Limited, the Company's Hong Kong branch share registrar and transfer office as follows:

Tricor Tengis Limited
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be convened and held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 26 November 2021 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Associate(s)”	the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Director(s)
“Business Day”	a day on which the Stock Exchange is opened for the trading of securities
“Close Associate(s)”	the meaning as ascribed thereto under the Listing Rules
“Company”	Winfull Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Core Connected Person(s)”	the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Share on exercise of an Option pursuant to the New Share Option Scheme
“Grantee(s)”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee (if he or she is an individual)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the issue mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued Shares as at the date of passing the relevant resolution for approving the issue mandate
“Latest Practicable Date”	19 October 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted at the AGM (described in this circular) in its present or any amended form
“Nomination Committee”	the nomination committee of the Company
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which the Board passes a resolution approving the making of an offer of grant of an Option to the Participant
“Options”	the options granted or to be granted by the Company to the grantees under the Share Option Scheme or the New Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Participant(s)”	any person belonging to any of the following classes of participants: (i) any eligible employee of the Company and any of its subsidiaries; or (ii) any non-executive director (including any independent non-executive director) of the Company and any of its subsidiaries
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase fully paid Shares up to a maximum of 10% of the issued Shares as at the date of passing the relevant resolution for approving the repurchase mandate

DEFINITIONS

“Scheme Mandate Limit”	the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option scheme of the Company, not exceeding 10% of the total number of Shares in issue on the adoption date of the New Share Option Scheme or at the renewal of such limit
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 1 November 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

LETTER FROM THE BOARD



WINFULL GROUP HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

Executive Directors:

Mr. Pong Wilson Wai San (*Chairman*)
Mr. Lee Wing Yin (*Chief Executive Officer*)

Non-executive Director:

Mr. Lai Hin Wing Henry

Independent Non-executive Directors:

Mr. Koo Fook Sun Louis
Mr. Lung Hung Cheuk
Ms. Yeung Wing Yan Wendy

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit A, 6/F
9 Queen's Road Central
Hong Kong

27 October 2021

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for (i) the grant of the Issue Mandate; (ii) the grant of the Repurchase Mandate; (iii) the extension of the Issue Mandate; (iv) the re-election of retiring Directors; (v) the adoption of the New Share Option Scheme; and (vi) give you the notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 27 November 2020, an ordinary resolution was passed by the Shareholders on granting the existing issue mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing issue mandate and to grant to the Directors a fresh Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with, otherwise by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company or any Shares issued as scrip dividends pursuant to the memorandum and articles of association of the Company, additional Shares not exceeding 20% of the issued Shares at the date of the passing of such resolution. Based on 560,812,566 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to allot, issue and deal with for up to a total of 112,162,513 Shares if the fresh Issue Mandate is granted at the AGM, which will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 27 November 2020, an ordinary resolution was passed by the Shareholders on granting the existing repurchase mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing repurchase mandate and to grant to the Directors a fresh Repurchase Mandate, i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of Shares of up to 10% of the issued Shares at the date of passing of such resolution. Based on 560,812,566 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to repurchase up to a maximum of 56,081,256 Shares if the fresh Repurchase Mandate is granted at the AGM.

LETTER FROM THE BOARD

The fresh Repurchase Mandate, if granted, shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (c) the passing of an ordinary resolution by the Shareholders at general meeting revoking or varying the authority given to the Directors.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the issued Shares on the date of passing the resolution for approving the Issue Mandate.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 87(1), Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy shall retire from office as Directors by rotation at the conclusion of the AGM and, being eligible, will offer themselves for re-election.

Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy were appointed as independent non-executive Directors on 23 March 2007 and 12 December 2011 respectively. Therefore, each of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy has served the Company for more than 9 years. Each of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy has made an annual confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy are independent in accordance with the independence guidelines.

In respect of the re-election of Mr. Lung Hung Cheuk as an independent non-executive Director, Mr. Lung Hung Cheuk has many years of experience in top management and serving listed companies. He has been providing valuable advices and contributions to the governance of the Company.

In respect of the re-election of Ms. Yeung Wing Yan Wendy as an independent non-executive Director, Ms. Yeung Wing Yan Wendy is a practising barrister and has many years of experience in corporate and financial communications. She has been providing valuable legal advices and contributions to the governance of the Company.

LETTER FROM THE BOARD

In the past years, both of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy have successfully brought independent elements and different perspectives to the Board, enhancing the quality and efficiency of the board discussion. The Board considers that both of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy have satisfactorily discharged their duties since their appointments and the election of both of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy will promote the diversity of the Board in gender, skills and experience and enhance the standards of compliance of the Company. The Board believes that they should be re-elected so that they will continue to bring to the Board their experience and knowledge which are valuable to the Company.

In light of the knowledge, skills, experience and performance of Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy, the Board recommends the Shareholders to re-elect Mr. Lung Hung Cheuk and Ms. Yeung Wing Yan Wendy as independent non-executive Directors at the AGM.

Particulars relating to the retiring Directors are set out in Appendix II to this circular.

ADOPTION OF THE NEW SHARE OPTION SCHEME

The Share Option Scheme which was adopted by the Company on 1 November 2011 will expire on 30 October 2021. The Board proposes the adoption of the New Share Option Scheme so as to continue providing incentives or rewards to the Participants thereunder for his/her contributions to the success of the Group.

Upon expiration of the Share Option Scheme, no further options will be granted thereunder. However, the rules of the Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its expiration or otherwise as may be required in accordance with the rules of the Share Option Scheme. Options granted under the Share Option Scheme prior to such expiration will continue to be valid and exercisable in accordance with the rules of Share Option Scheme.

As at the Latest Practicable Date, there were in total 19,248,000 Options outstanding under the Share Option Scheme (representing approximately 3.43% of the issued Shares as at the Latest Practicable Date) and the Company had no other share option scheme. At present and up to the date on which the New Share Option Scheme comes into effect, the Company has no intention to grant further options under the Share Option Scheme. The Company has no existing plan to grant Options to any of the Participants after the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

Details of the outstanding Options under the Share Option Scheme are as follows:

Name or category of grantees	Date of grant of Options	Exercise Price (HK\$)	Exercise Period (Note)	Number of Options
				Balance as at the Latest Practicable Date
Directors				
Pong Wilson Wai San	3/6/2014	2.210	3/6/2014-2/6/2024	2,260,000
	17/5/2016	1.890	17/5/2016-16/5/2026	2,640,000
	26/11/2018	1.210	26/11/2018-25/11/2028	4,130,000
	25/6/2021	0.306	25/6/2021-24/6/2022	5,600,000
Lee Wing Yin	3/6/2014	2.210	3/6/2014-2/6/2024	100,000
	17/5/2016	1.890	17/5/2016-16/5/2026	2,718,000
	26/11/2018	1.210	26/11/2018-25/11/2028	500,000
	25/6/2021	0.306	25/6/2021-24/6/2022	500,000
Lai Hin Wing Henry	26/11/2018	1.210	26/11/2018-25/11/2028	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000
Koo Fook Sun Louis	26/11/2018	1.210	26/11/2018-25/11/2028	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000
Yeung Wing Yan Wendy	26/11/2018	1.210	26/11/2018-25/11/2028	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000
Lung Hung Cheuk	26/11/2018	1.210	26/11/2018-25/11/2028	100,000
	28/4/2020	0.480	28/4/2020-27/04/2025	100,000
Total				19,248,000

Note: All of the Options granted have no vesting period or vesting condition.

As at the Latest Practicable Date, there were 560,812,566 Shares in issue. Assuming that there is no change in the total number of Shares in issue during the period from the Latest Practicable Date to the date of AGM, the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company (if any) will be 56,081,256 Shares, being approximately 10% of the total number of issued Shares.

LETTER FROM THE BOARD

Similar to the Share Option Scheme, the New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the Board may, at its discretion, fix any minimum period for which an Option must be held, any performance targets that must be achieved and/or any other conditions (including the Exercise Price) that must be fulfilled before an Option can be exercised. The Board believes that the requirement for a minimum Exercise Price (which is summarized in Paragraph 5 in Appendix III) and the conditions that the Board may think fit when making an Offer to any Participant will serve to protect the value of the Shares as well as to achieve the purpose of the New Share Option Scheme. Save for (i) updating the definition of qualifying grantee to include only Participants; and (ii) other necessary modifications and/or amendments to reflect the current provisions of the Listing Rules and for clarity and consistency with other provisions of the New Share Option Scheme where it is considered desirable, no other material amendments have been made to the New Share Option Scheme.

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but not limited to the exercise price, exercise period, lock-up period (if any). The Directors believe that any calculation based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme; and
- (b) the passing of the necessary resolution to approve and adopt the New Share Option Scheme at the AGM.

At the AGM, an ordinary resolution will be proposed for approving the adoption of the New Share Option Scheme. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A summary of the principal terms of the New Share Option Scheme which is 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 available for inspection at the head office and principal place of business in Hong Kong of the Company at Unit A, 6/F, 9 Queen's Road Central, Hong Kong during normal business hours on any Business Day from the date of this circular to and including the date of the

LETTER FROM THE BOARD

AGM and adjournment thereof (as the case may be). A copy of the New Share Option Scheme will be published on the websites of HKExnews (www.hkexnews.hk) and the Company (www.winfullgroup.hk) from 12 November 2021 and up to and including the date of the AGM, and will also be available for inspection at the AGM.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 28 to 32 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the grant of the Issue Mandate and Repurchase Mandate and the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, and the re-election of retiring Directors.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of HKExnews (www.hkexnews.hk) and the Company (www.winfullgroup.hk). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed (i.e. Wednesday, 24 November 2021 at 11:00 a.m.) for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholders from attending and voting at the meeting if so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 November 2021 to Friday, 26 November 2021 both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 November 2021.

LISTING RULES REQUIREMENT

According to Rule 13.39 of the Listing Rules, any vote of the 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 set out in the notice of AGM will be taken by way of poll and an announcement will be made after 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

LETTER FROM THE BOARD

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 believe that the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the re-election of retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM on pages 28 to 32.

Yours faithfully,
For and on behalf of the Board
Winfull Group Holdings Limited
Pong Wilson Wai San
Chairman

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

1. SHARE CAPITAL

As at the Latest Practicable Date, there were 560,812,566 issued Shares.

Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to a maximum of 56,081,256 Shares, representing approximately 10% of the issued Shares as at the Latest Practicable Date during the period up to (i) the conclusion of the next annual general meeting of the Company in 2022; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR THE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose.

4. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2021, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

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

Months	Share Price (per Share)	
	Highest HK\$	Lowest HK\$
2020		
October	0.052	0.040
November	0.052	0.043
December	0.088	0.047
2021		
January	0.053	0.046
February	0.061	0.045
March	0.060	0.041
April	0.046	0.035
May (<i>Note</i>)	0.380	0.300
June	0.320	0.285
July	0.375	0.280
August	0.290	0.255
September	0.345	0.255
October (up to Latest Practicable Date)	0.375	0.300

Note: The Share prices from this month onwards have been adjusted after the share consolidation on 4 May 2021.

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their Close Associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

No Core Connected Person of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares when the Repurchase Mandate is approved and exercised.

7. UNDERTAKING OF THE DIRECTORS

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

8. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, so far as the Directors are aware, the following Shareholders are interested in more than 5% of the Shares then in issue:

Name of Shareholders	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Virtue Partner Group Limited	334,641,966 (Note 1)	59.67%	66.30%
Mr. Pong Wilson Wai San ("Mr. Pong")	386,751,566 (Notes 1 & 2)	68.96%	76.63%
Ms. Tung Ching Yee Helena ("Mrs. Pong")	386,751,566 (Note 3)	68.96%	76.63%

Notes:

1. These Shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.
2. Mr. Pong personally owns 52,109,600 Shares, among which 14,630,000 Shares are the Options granted to him by the Company under the Share Option Scheme, and deemed to be interested in the 334,641,966 Shares owned by Virtue Partner Group Limited, under SFO.
3. Mrs. Pong is the wife of Mr. Pong and accordingly deemed to be interested in the Shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.

The Directors have no present intention to exercise the Repurchase Mandate to such extent as to result in takeover obligation or the public holding of Shares would be reduced below 25% of the issued Shares.

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 issued Shares would be in public hands.

The Directors will not propose to repurchase Shares as would, in the circumstances, result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

9. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM
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The details of the retiring Directors who will offer themselves for re-election at the AGM, are set out below:

(1) Mr. Lung Hung Cheuk (“Mr. Lung”)

Mr. Lung, aged 74, was appointed as an independent non-executive director of the Company on 23 March 2007. He is also the chairman of the remuneration committee, a member of the nomination committee and audit committee of the Company. Mr. Lung is a retired chief superintendent of the Hong Kong Police Force (the “Hong Kong Police”) of Hong Kong. He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and then the chairman of the Superintendents’ Association (“SPA”) of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from superintendents up to and including the commissioner of Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr. Lung is the independent non-executive director of Sitoy Group Holdings Limited (Stock code: 1023), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Lung has renewed the letter of appointment with the Company for a further term of 1 year commencing on 23 March 2021. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Pursuant to the terms of his letter of appointment, Mr. Lung is entitled to a remuneration of HK\$121,000 per annum which was determined with reference to his duties and responsibilities with the Company.

As at the date hereof, Mr. Lung is interested in 200,000 shares in the Company, all of which are the share options granted to him by the Company under the share option scheme of the Company adopted on 1 November 2011. Save as disclosed, Mr. Lung did not have any other interests in shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lung does not (i) hold 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) hold any other positions in the Company and its subsidiaries; (iii) have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) have other major appointments or professional qualifications.

Save as disclosed above, there is no other matter about Mr. Lung which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules or needs to be brought to the attention of the shareholders of the Company.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM
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(2) Ms. Yeung Wing Yan Wendy (“Ms. Yeung”)

Ms. Yeung, aged 59, was appointed as an independent non-executive director of the Company on 12 December 2011. She is also the chairwoman of the nomination committee, a member of the audit committee and remuneration committee of the Company. She holds a master’s degree in laws (Human Rights) of the Faculty of Law from The University of Hong Kong, a master’s degree in Juris Doctor of the Faculty of Law from The Chinese University of Hong Kong and a bachelor’s degree in Business Administration from the University of Hawaii at Manoa, Honolulu, Hawaii. Ms. Yeung is a practising barrister in Hong Kong. She has over 20 years of experience in corporate and financial communications. Ms. Yeung was the founder and managing director of Occasions Corporate & Financial Communication Limited from 1993 to 2007 and a managing director of Financial Dynamics International Limited from 2007 to 2010.

Ms. Yeung has renewed a letter of appointment with the Company for a further term of 1 year commencing on 12 December 2020. She is subject to retirement and re-election at the annual general meeting of the Company pursuant to the articles of association of the Company. Pursuant to the terms of her letter of appointment, Ms. Yeung is entitled to a remuneration of HK\$121,000 per annum which is determined by reference to the prevailing market conditions and her roles, experience and responsibilities in the Company.

As at the date hereof, Ms. Yeung is interested in 200,000 shares in the Company, all of which are the share options granted to her by the Company under the share option scheme of the Company adopted on 1 November 2011. Save as disclosed, Ms. Yeung does not have any other interests in shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Yeung does not (i) hold 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) hold any other positions in the Company and its subsidiaries; (iii) have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company and (iv) have other major appointments or professional qualifications.

Save as disclosed above, there is no other matter about Ms. Yeung which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules or needs to be brought to the attention of the shareholders of the Company.

The following is a summary of the principal terms of the New Share Option Scheme which is proposed to be approved at the AGM:

1. PURPOSE, DURATION AND ADMINISTRATION

The purpose of the New Share Option Scheme is to enable the Company to grant Options to Participants as incentives or rewards for their contribution to the Group.

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

2. WHO MAY JOIN

Participant refers to any person belonging to any of the following classes of participants:

- (i) any employee (whether full time or part time employee, including any executive directors but not any non-executive director) of the Company or any of its subsidiaries (the "Eligible Employee(s)"); or
- (ii) any non-executive director (including any independent non-executive director) of the Company and any of its subsidiaries.

3. GRANT OF OPTIONS

An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant to whom an Offer is made for a period of twenty-one (21) days from the Offer Date, provided that no such Offer shall be opened for acceptance after the tenth (10th) anniversary of the Adoption Date or after the New Share Option Scheme has been terminated in accordance with the provisions hereof.

An Offer must not be made after inside information has come to the knowledge of the Company until (and including) the trading day after the inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no option may be granted during the period of one (1) month immediately preceding 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 interim or annual results; and

- (ii) the deadline for the Company to publish announcement of its results for any year or half-year under the Listing Rules,

and ending on the date of the results announcement.

4. ACCEPTANCE OF OFFER FOR THE GRANT OF OPTIONS

An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. Such remittance shall in no circumstances be refundable.

5. EXERCISE PRICE

The Exercise Price shall be a price determined by the Board at its absolute discretion and notified to a Participant and shall be no less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and
- (iii) the nominal value of the Share on the Offer Date.

6. OPTION PERIOD

Option period is a period to be notified by the Board to each Grantee and in any event the period shall not be more than ten (10) years from the date of grant of the relevant Option. The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised.

7. RIGHTS ARE PERSONAL TO THE OPTION HOLDER

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

8. RANKING OF SHARES

The Share to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date when the name of Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of Grantee is registered on the register of members of the Company.

9. RIGHTS ON DEATH OR TOTAL PERMANENT PHYSICAL OR MENTAL DISABILITY

If the Grantee, who is an Eligible Employee, ceases to be an Eligible Employee by reason of his or her death before exercising the Option in full and none of the events which would be a ground for termination of his or her employment under paragraph 15(v) arises, the personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent not already exercised).

10. TERMINATION FOR MISCONDUCT OR CAUSE OR ON RESIGNATION OR RETIREMENT

An Option shall lapse automatically on the date on which the Grantee, who is an Eligible Employee, ceases to be an Eligible Employee by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect being able to pay debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiaries. A resolution of the Board or the board of directors of the relevant Subsidiaries to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 15(v) shall be conclusive.

11. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee, who is an Eligible Employee, ceases to be an Eligible Employee for any reason other than on his or her death or the termination of his or her employment on one or more of the grounds specified in paragraph 15(v), the Grantee may exercise the Option at any time within the period of three (3) months following the date of such cessation up to his or her entitlement at the date of cessation (to the extent not already exercised), which date shall be the last actual working day with the Company or the relevant Subsidiaries whether salary is paid in lieu of notice or not.

12. RIGHTS ON GENERAL OFFER

If a general offer by way of takeover (other than by way of scheme of arrangement pursuant to paragraph 13(i) below) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Grantee (or, where appropriate, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised even though the option period has not come into effect during the occurrence of the general offer) at any time within one (1) month of the notice given by any offeror to acquire the remaining Shares.

13. RIGHTS ON COMPROMISE OR ARRANGEMENT

- (i) If a general offer by way of scheme of arrangement is made to all the holders of Shares with the New Share Option Scheme having been approved by the necessary number of holders of Shares at the requisite meetings, the Grantee (or his or her personal representatives) may thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice.
- (ii) Other than a scheme of arrangement contemplated in paragraph 13(i) above, in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee (or his or her personal representatives) may by notice in writing to the Company accompanied by the remittance for the Exercise Price in respect of the relevant Option (such notice to be received by the Company not later than four (4) Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and 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 meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

14. RIGHTS ON VOLUNTARY WINDING-UP OF THE COMPANY

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her legal personal representatives) may by notice in writing to the Company (such notice to be received by the Company not later than four (4) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and 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, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

15. LAPSE OF OPTION

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

- (i) subject to the provision of the New Share Option Scheme, the expiry of the option period;
- (ii) the expiry of the periods referred to in paragraphs 10, 11 or 14;
- (iii) the expiry of the period referred to in paragraph 12 provided that if any court of competent jurisdiction makes an order the effect of which is to prevent the offeror from acquiring Shares in the offer, the relevant period within which the Option may be exercised shall not begin to run until the discharge of the order in question or unless the offer lapses or is withdrawn before that date;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 13(i);
- (v) the date on which the Grantee, who is an Eligible Employee, ceases to be an Eligible Employee by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect being able to pay debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiaries. A resolution of the Board or the board of directors of the relevant Subsidiaries to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 15(v) shall be conclusive;
- (vi) the date of the commencement of the winding-up of the Company;

- (vii) the date on which the Grantee commits a breach of paragraph 7; or
- (viii) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board.

16. CANCELLATION OF OPTIONS

Any cancellation of any Option which has been duly granted in accordance with the New Share Option Scheme and has neither lapsed nor been exercised in full shall be conditional upon the approval of the Board and the Grantee concerned. In the event that the Board elects to cancel the Options of the Grantee which have been granted and have neither lapsed nor been exercised in full and issue new Options to the same Grantee, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Refreshed Limit (as defined in paragraph 17(iii)), as the case may be.

17. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Company must not exceed 30% of the Shares in issue from time to time.
- (ii) Subject to paragraph 17(i) above, the total number of Shares available for issue under Options which may be granted under the New Share Option Scheme and any other share option scheme of the Company must not, exceed 10% of the Shares in issue on the Adoption Date, unless Shareholders' approval has been obtained pursuant to paragraphs 17(iii) and 17(iv) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (iii) Subject to paragraph 17(i) above, the Company may refresh the Scheme Mandate Limit at any time subject to Shareholders' approval at general meeting. However, the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval (the "Refreshed Limit"). Options previously granted under the New Share Option Scheme and any other share option scheme of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Options) will not be counted for the purpose of calculating the Refreshed Limit. The Company must send a circular to the Shareholders containing such information required under the Listing Rules.

- (iv) Subject to paragraph 17(i) above, the Company may also seek separate Shareholders' approval at general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.
- (v) The total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to each Participant or Grantee (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the Shares at issue for the time being (the "Individual Limit"). Any further grant of Options in excess of the Individual Limit must be subject to Shareholders' approval in general meeting with such Participant or Grantee and his or her Close Associates (or his or her Associates if the Participant is a Connected Person) abstaining from voting. The Company must send a circular to the Shareholders containing the information required under the Listing Rules. The number and terms (including the Exercise Price) of the Options to be granted to such Participant or Grantee must be fixed before the date of the Shareholders' meeting for approving such Offer and the date of the Board meeting for proposing such Offer should be taken as the relevant date for the purpose of calculating the Exercise Price.
- (vi) Where it is proposed that any Offer is to be made to a substantial Shareholder or an independent non-executive Director or any of their respective Associates which would result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including exercised, cancelled and outstanding Options) to such person in the 12-month period up to and including the relevant Offer Date:
- (a) representing in aggregate over 0.1% of the Shares in issue for the time being; and
 - (b) having an aggregate value, based on the closing price of the Shares at the relevant Offer Date, in excess of HK\$5 million,

then such Offer and any acceptance thereof must be subject to approval of the Shareholders at general meeting taken on a poll. The Company must send a circular to the Shareholders containing the information required under the Listing Rules. The Grantee, his or her Associates and all Core Connected Persons of the Company must abstain from voting, except that any Core Connected Person may vote against the relevant resolution at the general meeting provided that his or her or its intention to do so has been stated in the aforesaid circular. In addition, approval by the Shareholders as described above will be required for any change in the terms of Options granted to a Grantee who is a substantial Shareholder, an independent non-executive Director or any of their respective Associates.

18. EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, right issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company, whilst any Option remains exercisable, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any Subsidiaries is a party, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the New Share Option Scheme and outstanding Options so far as unexercised; and/or
- (ii) the Exercise Price; and/or
- (iii) the method of exercise of the Option,

or any combination thereof, as the Company's independent financial adviser or the auditors shall certify in writing to the Board (except in the case of a capitalisation issue where no such certification is required), either generally or as regard any particular Grantee, to be in their opinion to have satisfied the requirements that such adjustments give a Grantee the same proportion of the equity capital as that to which that person was previously entitled but that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Company's independent financial adviser or the auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Company's independent financial adviser or auditors shall be borne by the Company.

19. ALTERATION TO THE NEW SHARE OPTION SCHEME

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 as to:

- (i) the definitions of "Participant", "Grantee" and "Option Period"; and
- (ii) the provisions of paragraphs 1, 3, 5, 9-15, 17, 18, this paragraph 19 and paragraph 20,

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the Company at general meeting (with all Grantees, prospective Grantees and their respective Associates abstaining from voting), 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 Articles of Association for the time being of the Company for a variation of the rights attached to the Shares and provided further that any alteration 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 must be approved by the Shareholders at a general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders at a general meeting. The amended terms of the New Share Option Scheme or the Options to be granted thereunder must still comply with the relevant requirements of the Listing Rules.

20. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by ordinary resolution at 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 or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options complying with the provisions of the Listing Rules which are granted during the life of the New Share Option Scheme and remain unexpired immediately prior to the termination of the operation of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.

21. PERFORMANCE TARGET

Unless otherwise determined by the Board and specified in the offer letter, the Grantee is not required to achieve any performance targets.

NOTICE OF THE AGM



WINFULL GROUP HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Winfull Group Holdings Limited (the “Company”) will be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 26 November 2021 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Directors”) and the auditor of the Company for the year ended 30 June 2021;
2.
 - (a) To re-elect Mr. Lung Hung Cheuk as an independent non-executive Director;
 - (b) To re-elect Ms. Yeung Wing Yan Wendy as an independent non-executive Director;
 - (c) To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors;
3. To re-appoint BDO Limited as the Company’s auditor and to authorise the Board to fix its remuneration.

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

4. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF THE AGM

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company adopted on 1 November 2011; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not exceed the aggregate of:
 - (aa) 20% of the total number of issued shares of the Company on the date of the passing of this resolution; and
 - (bb) the aggregate number of any shares of the Company repurchased by the Company (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) subsequent to the passing of this resolution up to a maximum equivalent to 10% of the total number of issued shares of the Company on the date of the passing of this resolution,and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “Companies Law”), or any other applicable laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company at general meeting revoking or varying the authority given to the Directors by this resolution;

NOTICE OF THE AGM

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “THAT:

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the total number of the issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, or any other applicable laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company at general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF THE AGM

6. “**THAT** conditional upon resolutions nos. 4 and 5 above being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution no. 4 above be and hereby extended by the addition to the total number of shares of the Company which may be allotted by the Directors pursuant to such general mandate of the total number of shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 above, provided that such number of shares shall not exceed 10% of the total number of shares of the Company in issue at the date of passing of this resolution.”
7. “**THAT** subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the shares of the Company to be issued and allotted by the Company under the proposed share option scheme of the Company (the “New Share Option Scheme”, a copy of which has been produced to the meeting marked ‘A’ and initialed by the chairman of the meeting for the purpose of identification):
- (a) the New Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect or amend the New Share Option Scheme subject to the terms of the New Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and
- (b) the Directors be and are hereby authorised to grant options to subscribe for shares of the Company in accordance with the rules of the New Share Option Scheme up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit.”

By order of the Board of
Winfull Group Holdings Limited
Pong Wilson Wai San
Chairman

Hong Kong, 27 October 2021

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Unit A, 6/F
9 Queen’s Road Central
Hong Kong

NOTICE OF THE AGM

1. A member entitled to attend and vote at the annual general meeting of the Company convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his or her behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed (i.e. Wednesday, 24 November 2021 at 11:00 a.m.) for holding the meeting or any adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he or she so wish.
3. The register of members of the Company will be closed from Tuesday, 23 November 2021 to Friday, 26 November 2021 both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 November 2021.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of the Company a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The directors of the Company have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company adopted on 1 November 2011 or any scrip dividend scheme which may be approved by shareholders of the Company.
5. In relation to proposed resolution no. 5 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice forms part.
6. If Typhoon Signal No. 8 or above, "extreme conditions" caused by super typhoons or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting of the Company, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.winfullgroup.hk and the Stock Exchange at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.