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

If you have sold or transferred all your shares in Natural Beauty Bio-Technology Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Natural Beauty Bio-Technology Limited **自然美生物科技有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00157)

PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND PROPOSED AMENDMENT OF THE SHARE AWARD SCHEME II AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 6 to 24 of this circular.

A notice convening the EGM of the Company to be held at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da'an District, Taipei, Taiwan on Friday, 19 December 2025 at 4:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular.

A proxy form is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours (i.e., 4:30 p.m. on Wednesday, 17 December 2025) before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the proxy form shall be deemed to be revoked.

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DEFINITIONS

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

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| “2011 Share Option Scheme” | the share option scheme of the Company approved and adopted by the Shareholders at the annual general meeting held on 13 May 2011; |
| “2025 Share Option Scheme” | the 2025 share option scheme proposed to be adopted by the Company at the EGM for the benefit of the employees and directors of the Group and other Eligible Participants, the details of which are set out in Appendix I of this circular; |
| “2025 Trust” | the trust constituted by the 2025 Trust Deed; |
| “2025 Trust Deed” | a trust deed to be entered into between the Company as settlor and the 2025 Trustee as trustee of the 2025 Trust (as restated, supplemented and amended from time to time) and constituting the Amended Share Scheme II; |
| “2025 Trustee” | the trustee as appointed under the 2025 Trust Deed to act as trustee of the 2025 Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the 2025 Trust Deed. As at the Latest Practicable Date, the 2025 Trustee is Futu Trustee Limited, which is a professional trustee independent of the Company; |
| “Adoption Date” | the date on which the 2025 Share Option Scheme and/or the Amended Share Scheme II (as the case may be) is conditionally adopted by a resolution of the shareholders of the Company; |
| “Amended Share Scheme II” | the share award scheme, being the 2025 amended and restated Share Award Scheme II, proposed to be adopted by the Company at the EGM for the benefit of Eligible Participants who are not connected person(s) of the Company, the details of which are set out in Appendix II of this circular; |
| “Articles” | the articles of association of the Company (as amended from time to time); |
| “Award” | an award of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) by the Board to a Selected Participant pursuant to the Amended Share Award Scheme II; |

DEFINITIONS

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| “Awarded Shares” | in respect of a Selected Participant, such number of Shares as awarded by the Board; |
| “Board” | the board of directors of the Company for the time being or a duly authorised committee thereof; |
| “Business Day” | a day on which the Stock Exchange is open for the business of dealing in securities; |
| “Company” | Natural Beauty Bio-Technology Limited (自然美生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange under the stock code 00157; |
| “connected person” | has the meaning ascribed to it in the Listing Rules; |
| “Director” | any director of the Company from time to time; |
| “Eligible Participant(s)” | for the 2025 Share Option Scheme, the Employee Participants, Related Entity Participants and the Service Provider Participants; and for the Amended Share Award Scheme II, the Non-connected Eligible Participant(s); |
| “Employee Participant(s)” | the directors, chief executive and employees of the Company or any of its subsidiaries, provided that the Board shall have absolute discretion to determine whether or not one falls within such category; |
| “Extraordinary General Meeting” or “EGM” | the extraordinary general meeting of the Company to be held at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da’an District, Taipei, Taiwan on Friday, 19 December 2025 at 4:30 p.m. or at any adjournment thereof (as the case may be), to consider and, if thought fit, approve the proposed adoption of the 2025 Share Option Scheme and the proposed amendment of the Share Award Scheme II; |
| “Grant Date” | the date (which must be a Business Day) on which an Award is granted to an Eligible Participant; |
| “Group” | the Company and its Subsidiaries from time to time, and “member of the Group” means any or a specific one of them; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |

DEFINITIONS

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| “Latest Practicable Date” | 27 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular; |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time; |
| “New Share Schemes” | the 2025 Share Option Scheme and the Amended Share Scheme II; |
| “Non-connected Eligible Participants” | the Non-connected Employee Participants, Non-connected Related Entity Participants and the Non-connected Service Provider Participants; |
| “Non-connected Employee Participants” | employees (including full-time employees and part-time employees) of any member of the Group (including persons who are granted Awards under the Amended Share Scheme II as an inducement to enter into employment contracts with any member of the Group) and excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company; |
| “Non-connected Related Entity Participants” | Related Entity Participants which exclude chief executive officers, directors or employees of any member of the Group who are connected persons of the Company; |
| “Non-connected Service Provider Participants” | Service Provider Participants which exclude chief executive officers, directors or employees of any member of the Group who are connected persons of the Company; |
| “Offer Date” | in respect of an Option, the date on which such Option is offered to an Eligible Participant which must be a Business Day; |
| “Option” | an option to subscribe for Shares granted pursuant to the 2025 Share Option Scheme and for the time being subsisting; |
| “Related Entity(ies)” | the holding companies, fellow Subsidiaries or associated companies of the Company; |
| “Related Entity Participant(s)” | the employees (including directors) of the Related Entities; |
| “Scheme Mandate Limit” | the total number of Shares, which may be issued in respect of all Options and Awards to be granted under the 2025 Share Option Scheme, Amended Share Scheme II and other share option scheme(s) and share award scheme(s) (if any), shall not in aggregate exceed 10% of the issued Shares as at the Adoption Date (excluding Treasury Shares (if any)); |

DEFINITIONS

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| “Selected Participant(s)” | the Eligible Participant(s) selected by the Board for participation in the 2025 Share Option Scheme and/or the Amended Share Scheme II (as the case may be) (or his legal personal representative or lawful successor as the case may be); |
| “Service Provider Participant(s)” | person who, or entity which, provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including franchisees, distributors and agents, consultants and advisers engaged to provide services in relation to the business of the Group, as determined by the Board in its sole and absolute discretion, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity; |
| “Service Provider Sublimit” | the total number of Shares which may be issued in respect of all Options and Awards to be granted to all Service Provider Participants under 2025 Share Award Scheme, Amended Share Scheme II and other share option scheme(s) and share award scheme(s) (if any), which must not in aggregate exceed 7% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the Adoption Date; |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company; |
| “Share Award Scheme II” | the share award scheme constituted by Scheme II Rules and adopted by the Company on 25 May 2022, and which is designated for non-connected grantees; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subsidiary(ies)” | has the meaning given to it by the Listing Rules; |

DEFINITIONS

“Treasury Shares”

has the meaning ascribed to it in the Listing Rules and as amended from time to time; and

“%”

per cent.

LETTER FROM THE BOARD



Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00157)

Executive Directors:

Dr. LEI Chien (*Chairperson*)

Mr. LIN Chia-Wei

Ms. LIN Yen-Ling

Non-executive Directors:

Ms. LIN Shu-Hua

Mr. CHEN Shou-Huang

Independent Non-executive Directors:

Mr. CHEN Ruey-Long

Mr. LIN Tsalm-Hsiang

Mr. YANG Shih-Chien

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Principal Place of Business
in Hong Kong:*

Room 1916, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

1 December 2025

To the Shareholders

Dear Sir/Madam,

**PROPOSED ADOPTION OF
THE 2025 SHARE OPTION SCHEME
AND**

**PROPOSED AMENDMENT OF
THE SHARE AWARD SCHEME II
AND**

NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval, *inter alia*, on the proposed adoption of the 2025 Share Option Scheme and the proposed amendment of the Share Award Scheme II. A Notice of Extraordinary General Meeting containing the resolutions to be proposed at the EGM is set out in this circular.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME

The 2011 Share Option Scheme

The 2011 Share Option Scheme was adopted by the Company on 13 May 2011 which has expired on 12 May 2021 and no further options can be granted thereunder.

As at the Latest Practicable Date, there were no outstanding share options under the 2011 Share Option Scheme.

The 2025 Share Option Scheme

As the 2011 Share Option Scheme of the Company has expired, and in order to provide appropriate incentives or rewards to eligible persons for their contributions or potential contributions to the Group, the Board is pleased to propose to adopt the 2025 Share Option Scheme in accordance with Chapter 17 of the Listing Rules.

PROPOSED AMENDMENT OF THE SHARE AWARD SCHEME II

The Company adopted the Share Award Scheme II, which is a scheme designated for non-connected grantees, on 25 May 2022, upon the approval by the Board. The Board is pleased to propose to amend the terms of the Share Award Scheme II, in order to allow the issuance of new Shares to satisfy new grants and to comply with the requirements pursuant to Chapter 17 of the Listing Rules. As the proposed amendments to the Share Award Scheme II are considered to be material in nature, the proposed amendments to the Share Award Scheme will be subject to approval by the Shareholders at the EGM.

The major amendments are summarised below:

- (a) to amend the definition of “Non-connected Eligible Participant(s)” to include (i) Non-connected Employee Participant; (ii) Non-connected Related Entity Participant; and (iii) Non-connected Service Provider Participant(s);
- (b) to adopt the Service Provider Sublimit, and to provide that the Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit or the Service Provider Sublimit under the Amended Share Scheme II after three years from the date of Shareholders’ approval for the last refreshment. Any refreshment within any three-year period must be approved by Shareholders subject to the requirements under Rule 17.03C(1) of the Listing Rules;
- (c) to clarify that approval by the Shareholders in general meeting in accordance with Rule 17.04(4) of the Listing Rules will be required for grant of Awards over new Shares to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, if the number of Shares which may be allotted and issued in respect of all Awards and options granted under the share schemes (which include the Amended Share Scheme II and all other share schemes (as defined under the Listing Rules), where applicable) to any of the above grantees, or any of their respective associates, will exceed 0.1% of the issued share capital of the Company in any 12-month period;

LETTER FROM THE BOARD

- (d) to set out the minimum vesting period of no less than 12 months, save for circumstances prescribed in paragraph 5.2(F) of Appendix II to this circular;
- (e) to require the approval of any change to the terms of the Awards granted to a grantee 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 Award was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be);
- (f) to provide that the Company may transfer Treasury Shares to the grantee upon vesting of an Award, and to clarify that references to new Shares include Treasury Shares and references to the issue of Shares include the transfer of Treasury Shares;
- (g) to include other house-keeping amendments for the purpose of making consequential amendments in line with the above proposed amendments to the Amended Share Scheme II, and to better align the wordings with the amended Chapter 17 of the Listing Rules.

DETAILS OF THE NEW SHARE SCHEMES

The full terms of the 2025 Share Option Scheme and the Amended Share Scheme II are set out in Appendix I and Appendix II to this circular, respectively. Unless otherwise stated, the defined terms in Appendix I and Appendix II (as the case may be) shall apply to the disclosure herein.

Purpose of the New Share Schemes

The purpose of the New Share Schemes is to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

Scope of Eligible Participants

The Board considers that the New Share Schemes will motivate more people to contribute to the Group's development. The New Share Schemes will enable the Group to recruit, incentivise and retain high-caliber talents, and as such, is in the interests of the Group. Furthermore, the Board considers that the Eligible Participant(s) will share the same interests and objectives with the Group by acquiring entity interest in the Company. This is beneficial to the long-term development of the Group.

In addition, the adoption of the New Share Schemes is in line with modern commercial practice that directors, full-time or part-time employees and service providers of the Group and the Related Entities are given incentives to work towards the goal of enhancing the enterprise value and attaining to the long-term objectives of the Company for the benefit of the Group as a whole. As such, the Directors consider that the adoption of the New Share Schemes is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Amended Share Scheme II is designated for non-connected grantees. As set out in paragraph 5.2(A) of Appendix II, any eligible participant who, at the time of the proposed grant of an Award, is a connected person of the Company may not be selected for participation in the Amended Share Scheme II as a Selected Participant.

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

Regarding Related Entity Participants, the Group has a close working relationship with the Related Entity Participants including directors, the senior management or employees of the Company's associated companies. The Group engages the Related Entity Participants to sell cosmetic and skin care products manufactured, distributed or supplied by the Group which are selected by the Related Entity Participants. The Group authorises the Related Entity Participants to sell these products to end customers and to use related promotional materials for such purpose. The Related Entity Participants sells these products through its own distribution channels or those of third parties, such as television, online and telephone sales. The Board (including the independent non-executive Directors) is of the view that the Related Entity Participants are valuable human resources to the Group as they contribute to achieve the sales target of the Company and often possess the market information required for the Group's development. Accordingly, the Group directly benefits from these Related Entity Participants as they allow the Group to gain insights, better understand its market position, competitiveness and capture new opportunities for business development, which are important for the Group's long-term growth. Hence, recognition of the contribution of these Related Entity Participants fulfills the purpose of the Share Award Scheme II.

In determining the basis of a Related Entity Participant, the Board will consider all relevant factors as appropriate, including, among others, (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group; (ii) the period of engagement or employment of the Related Entity Participant by the Group; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationships; and (v) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

LETTER FROM THE BOARD

In the case of Service Provider Participants, such category of participants are:

| Category | Services provided by the Service Provider Participants | Eligibility criteria |
|----------------------------------|---|---|
| Franchisees | Operating franchising spa stores in PRC and Taiwan, providing spa services and sales of Company's products to end customers and services in relation to market expansion, store development and operation, post-sales services, advertisement and brand promotion, e-commerce, internet content and media for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | <p>(i) A franchisee achieving the top 5% (or other proportion determined by the Board) in terms of annual sales revenue; or</p> <p>(ii) For spa store which the Company is a controlling shareholder, the spa store managed by such a franchisee achieves break-even in the first three years of operation and maintain profits in the subsequent two years or other profit target determined by the Board.</p> |
| Distributors | Sale of Company's products, provision of services in relation to market expansion, advertisement and brand promotion, post-sales services, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | Distributor that achieves top 10% (or other proportion determined by the Board) or RMB5 million in terms of annual revenue (or other target determined by the Board). |
| Agents, consultants and advisers | Providing business advice, trading opportunity and resources related to the sale of products, market expansion, advertisement and brand promotion, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | The new spa store(s) referred or introduced by the agent, consultant and adviser reaches the annual revenue target (approximately RMB 192,000 or as determined by the Board) and the number of new spa store opened determined by the Board (80 stores per year or other number as determined by the Board). |

LETTER FROM THE BOARD

In determining the basis of a Service Provider Participant, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Provider Participant; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Provider Participant; (v) the scale of business dealings with the Group, in particular, whether such Service Provider Participant could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider Participant; and (vi) the Group's future business plans in relation to further collaboration with such Service Provider Participant and the long-term support that the Group may receive accordingly.

The Group is principally engaged in manufacturing and sales of a range of products, including skin care, beauty and aroma-therapeutic products, health supplements and make-up products under the "Natural Beauty" brand and beauty apparatus. A large proportion of the Group's spa or point of sales are franchisee-owned. Additionally, the Group engages agents in respect of joint store expansion, whereby the Group cooperates with local agents across major regions in the PRC and sets up operation centers, with each region developed by the agents on a local basis. The sales and performance of the franchisees and distributors directly contribute to the Group's long-term growth of revenue and market competitiveness. In light of the above, the Board (including the independent non-executive Directors) is of the view that the nature of the Group's business model relies on and requires the co-operation and contribution from such Service Provider Participants.

Under the Company's distributorship business model, which operates primarily through franchisee-owned points of sale, the Company employs a limited number of staff. Instead, it cooperates with franchisees and their employees, who are responsible for marketing and selling the Company's branded products. As at 31 December 2024, the total number of the Group's employees in sales team was 231, whereas the Group had 2,082 franchisees and the total number of the franchisees' employees was over 14,000, which outnumbered the Group's employees in sales team. Consequently, the performance of these franchisees' employees significantly impacts the Group's performance. For the two financial years ended 31 December 2023 and 2024, the franchisees contributed to 78.1% and 79.2% to the Group's revenue, respectively. Considering the hiring practice and industry norm of the Group, where the Group requires distribution and sales services from Related Entity Participants and Service Provider Participants during the ordinary and usual course of business the Group, these Related Entity Participants and Service Provider Participants are personnel who have worked for the Group where the continuity and frequency of their services were akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and their contribution to the Group is considered similar to those of the employees of the Group. As such, the Board is of the view that the inclusion of the Related Entity Participants and Service Provider Participants as Eligible Participants is in line with the Group's business needs, hiring practice and the industry norm.

LETTER FROM THE BOARD

Given the success of the Group requires the co-operation and contribution not only from its directors and employees or proposed employees, but also from various other parties who play an instrumental role in and/or make actual or potential contributions to the business and development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of the Related Entity Participants and Service Provider Participants would not only align the interest of the Group and the Shareholders with the interest of these Eligible Participants, but also provide incentives and rewards for:

- (i) the participation and involvement in promoting the business of the Group;
- (ii) providing better services or products as well as timely market intelligence to the Group in their capacity; or
- (iii) maintaining a good and long-term relationship with the Group.

The Board (including the independent non-executive Directors) is also of the view that the various criteria for determining the eligibility of the Related Entity Participants and Service Provider Participants as set out above will be in line with the purpose of the New Share Schemes and the long term interests of the Company and its Shareholders. Having considered that (a) the Related Entity Participants are valuable human resources to the Group as they often engage in projects or other business collaborations in connection with the Group's businesses, which have contributed to the development and growth of the Group's businesses; and (b) the Service Provider Participants have played significant roles in the Group's business development and growth by contributing their specialised skills as franchisees, distributors and agents, consultants and advisers in relation to the Group's operations, the Board (including independent non-executive Directors) consider that the proposed Related Entity Participants and Service Provider Participants are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group and will not give rise to any material dilution effect on the shareholdings of the Company, and is therefore in the interest of the Company and its Shareholders as a whole. Through the New Share Schemes, such Eligible Participants will share a common goal with the Group in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their continuous contribution.

In light of the above and having considered that attracting and recruiting high-caliber talents are of importance to the Group's further development, the Board (including the independent non-executive Directors) is of the view that the current categories of Eligible Participants as applied under the New Share Schemes are fair and reasonable as this will offer the Board with sufficient flexibility to attract and incentivise those Selected Participants to contribute to the overall growth and development of the Group while preserving cash resources of the Group and thus, is in the interest of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, the Company had not made any historical grants to the Related Entity Participants and the Service Provider Participants.

LETTER FROM THE BOARD

Scheme Mandate Limit

The total number of Shares which may be allotted and issued (including any sale or transfer of Treasury Shares) in respect of all Options to be granted under the New Share Schemes and any other share option scheme(s) and share award scheme(s) of the Group shall not in aggregate exceed 10% of the total number of Shares in issue (excluding any Treasury Shares, if any) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

As at the Latest Practicable Date, the Company did not hold any Treasury Shares and had no intentions to use Treasury Shares (if any) for the New Shares Schemes.

Service Provider Sublimit

The total number of the Shares which may be issued in respect of all options and awards to be granted to the Service Provider(s) under the New Share Schemes and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company shall not exceed 7% of the total number of Shares in issue (excluding the Treasury Shares, if any) as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit.

As mentioned in the section titled “Scope of Eligible Participants”, the Board is of the view that the nature of the Group’s business model relies on and requires the co-operation and contribution from Service Provider Participants.

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Provider Participants; (ii) the importance of striking a balance between achieving the purpose of the New Share Schemes and protecting the Shareholders from the dilution effect from granting a substantial amount of Options or Awards to Service Provider Participants; and (iii) the expected contribution to the development and growth of the Company attributable to the Service Provider Participants. The Group’s franchisee-owned spa or point of sales increased from 1,550 as at 31 December 2023 to 1,768 as at 31 December 2024, representing 99.3% of the Group’s total number of store or point of sales as at 31 December 2024. The Group has and will continue to derive its income principally from its network of distribution channels. The Company considers the Service Provider Sublimit to be appropriate, as the Group’s business model is similar to that of another listed issuer in the retail and maintenance sectors. This peer company also relies heavily on distributors for regional expansion and has established a service provider sublimit of 7% for its share award scheme.

LETTER FROM THE BOARD

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date (ii) immediately upon full utilisation of the Scheme Mandate Limit and (iii) immediately upon full utilisation of the Service Provider Sublimit:

| | As at the Latest Practicable Date | | Immediately upon full utilisation of the Scheme Mandate Limit (assuming no change in the number of Shares in issue from the Latest Practicable Date and the Selected Participants are not public shareholders) | | Immediately upon full utilisation of the Service Provider Sublimit (assuming no change in the number of Shares in issue from the Latest Practicable Date) | |
|---|-----------------------------------|---------------|---|---------------|--|---------------|
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| Far Eastern Silo & Shipping (Panama) S.A. | 600,630,280 | 30.00 | 600,630,280 | 27.27 | 600,630,280 | 28.04 |
| Insbro Holdings Limited | 455,630,196 | 22.76 | 455,630,196 | 20.69 | 455,630,196 | 21.27 |
| Next Focus Holdings Limited | 445,315,083 | 22.24 | 445,315,083 | 20.22 | 445,315,083 | 20.79 |
| Selected Participants | – | – | 200,210,093 ^{Note} | 9.09 | – | – |
| Service Provider Participants | – | – | – | – | 140,147,065 | 6.54 |
| Public Shareholders | 500,525,373 | 25.00 | 500,525,373 | 22.73 | 500,525,373 | 23.36 |
| Total issued Shares | 2,002,100,932 | 100.00 | 2,202,311,025 | 100.00 | 2,142,247,997 | 100.00 |

Note: This is for illustrative purpose only. As explained below, the Company will ensure at least 25% of the Company's total issued Shares are held by the public Shareholders at all times.

As illustrated above, assuming there is no change in the number of Shares in issue from the latest Practicable Date, the shareholding of the existing public Shareholders would be diluted from approximately 25.0% to approximately 23.26% immediately upon full utilisation of the Service Provider Sublimit.

The Company will take appropriate measures to ensure at least 25% of the Company's total issued Shares are held by the public Shareholders at all times, and the Company will not make any Award or accept exercise of the Options under the New Share Schemes which will render the Company failing to maintain the public float requirement. To ensure the compliance of the public float requirements under the Listing Rules can be fulfilled by the Company, the Company will closely monitor the total number of issued Shares and the Shares held by the core connected persons. The Board shall not make any grant of Options or Awards to core connected persons which such number of Options to be exercised or such number of Awards to be vested would cause the Company not comply with the public float requirement. Taking into account the reasons for and benefits of the Service Provider Sublimit, in particular the Service Provider Sublimit would allow the Company to continue to provide incentives to Eligible Participants for the long-term growth of the Group, the Board is of the view that the potential dilution to the shareholdings of the existing Shareholders is acceptable.

LETTER FROM THE BOARD

Taking in account, the Board and the Remuneration Committee consider that the Service Provider Sublimit of 7% is appropriate and reasonable that (i) the cooperation and contribution of the Service Provider Participants are crucial to the Group's long term business growth under its distributorship model; (ii) the hiring practice of the Company which relies on the Service Provider Participants and the employees of the Service Provider Participants; and (iii) the limited potential dilution effect to the existing shareholdings due to the Service Provider Sublimit. Although the Company has not granted any options or awards under the 2011 Share Option Scheme and the Share Award Scheme II, the Remuneration Committee considers the 7% Service Provider Sublimit to be fair and reasonable. This view is based on two factors: (i) following a change in senior management in 2024, the new management is taking the initiative to reward and retain the Service Provider by aligning their interests with those of the Company, a common practice among other listed companies; and (ii) the significant recent increase in franchisee-owned points of sale and spa stores, which the Company expects to continue.

As at the Latest Practicable Date, there were 2,002,100,932 Shares in issue. Assuming that there will be no change in the number of the issued Shares between the Latest Practicable Date and the Adoption Date, (i) the Scheme Mandate Limit would be 200,210,093 Shares, representing approximately 10% of the issued Share capital of the Company on the Adoption Date (excluding Treasury Shares (if any)); and (ii) within the Scheme Mandate Limit, the Service Provider Sublimit would be 140,147,065 Shares, representing approximately 7% of the issued Share capital of the Company (excluding Treasury Shares (if any)) on the Adoption Date.

Maximum Entitlement of each Eligible Participant

The maximum number of Shares, in a twelve (12) months period up to and including the Grant Date, issued or to be issued in respect of all options and awards granted to any Eligible Participant (the “**Relevant Eligible Participant**”) (excluding any options and awards lapsed in accordance with the terms of the New Share Schemes and any other share option schemes and/or share award schemes involving the issuance of new Shares adopted and to be adopted by the Company from time to time (the “**Relevant Schemes**”)) under any share schemes of the Company shall not in aggregate exceed 1% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the Grant Date, unless:

- (i) such grant of Award or Option has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his close associates (as such term is defined under the Listing Rules) (or his associates if the Relevant Eligible Participant is a connected person (as such term is defined under the Listing Rules)) has abstained from voting;
- (ii) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the identity of the Relevant Eligible Participant, the number and terms of the Awards or Options to be granted (and those previously granted to such Relevant Eligible Participant in the said twelve (12) months period), the purpose of granting the Awards or Options to the Relevant Eligible Participant and an explanation as to how the terms of the Awards or Options serve such purpose; and
- (iii) the number and terms of such Award or Option are fixed before the general meeting of the Company at which the same are approved.

LETTER FROM THE BOARD

Where an Award (excluding grant of options) is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates), and the grant of Award will result in the number of the Shares issued and to be issued in respect of all awards granted to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of the Relevant Schemes in the twelve (12) months period up to and including the Grant Date, to exceed 0.1% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the Grant Date, such grant of Award shall not be valid unless:

- (i) the grant of Award has been duly approved, in the manner prescribed by the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
- (j) a circular containing the details of the grant of the Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the Listing Rules (including but not limited to, the views of the independent nonexecutive Directors (excluding any independent non-executive director who is the proposed Selected Participant of the Award) as to whether the terms of the grant of the Award are fair and reasonable, whether such grant of Award is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
- (k) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

Where an Award or Option is to be granted to an independent non-executive Director or a substantial Shareholder (or any of their respective associates), and the grant of Award or Option will result in the number of Shares issued and to be issued in respect of all options and awards granted to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of the Relevant Schemes) in the twelve months period up to and including the Grant Date, to exceed 0.1% of the total number of Shares in issue (excluding treasury shares (if any)) as at the Grant Date, such grant of Award or Option shall not be valid unless:

- (a) the grant of Awards or Options has been duly approved, in the manner prescribed by the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
- (b) a circular containing the details of the grant of the Award or Option has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant of the Award or Option) as to whether the terms of the grant of the Award or Option is fair and reasonable, whether such grant of the Award or Options is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
- (c) the number and terms of such Award or Option are fixed before the general meeting of the Company at which the same are approved.

LETTER FROM THE BOARD

Cancellation of Options or Awards Granted

The Board may at its sole and absolute discretion cancel any Award that has not vested or lapsed in certain circumstances, such as:

- (i) where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange;
- (ii) (ii) upon occurrence of any events triggering the clawback mechanism (and whether an event is to be regarded as triggering the clawback mechanism is subject to the sole determination of the Board) in relation to a Selected Participant, the Board will claw back such number of Awarded Shares granted (to the extent not already vested). The Board may (but is not obliged to) by notice in writing inform the relevant Selected Participant in respect of the cancellation. The Awarded Shares that are clawed back shall be regarded as cancelled and the Awarded Shares so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit; and
- (iii) any Awarded Shares granted but not vested may be cancelled if the Selected Participant so agrees.

Save for the circumstances prescribed in paragraph 5.7 of Appendix I, any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options in writing.

Option is cancelled pursuant to paragraph 5.7.

No options or awards may be granted to an Eligible Participant in place of his cancelled Awards or Options unless there are available Scheme Mandate Limit and Service Provider Sublimit (if applicable) from time to time. In addition, the Awards or Options cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Vesting Period

The vesting period for Options under the 2025 Share Option Scheme shall not be less than 12 months from the Offer Date; and that for the Awarded Shares under the Amended Share Scheme II shall not be less than 12 months from the Grant Date, save for the following circumstances:

- (a) grants of “make-whole” rewards to new joiners to replace the share awards or options they forfeited when leaving the previous employers;
- (b) grants that are made in batches during a year for administrative and compliance reasons;
- (c) grants of Options or Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months;

LETTER FROM THE BOARD

- (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (e) grants of award to Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of shares awards may accelerate.

To ensure the practicability in fully attaining the purpose of the New Share Schemes, the Board and the Remuneration Committee are of the view that there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the grantee, such as those set out in paragraphs 9.3(a) and (b) of Appendix I and paragraphs 5.2(F)(b)(i), (ii) and (iv) of Appendix II. The Company should be allowed discretion to formulate its talent recruitment and retention strategy according to its circumstances, for example, in a competitive and dynamic business environment, imposing vesting conditions based on performances instead of arbitrary vesting criteria based on time, may be more efficient and meaningful, as set out in paragraphs 9.3(c) and (d) of Appendix I and paragraph 5.2(F)(b)(iii) of Appendix II. It would be beneficial to the Company to retain flexibility in the effective rearrangement of employee duties and conclusion of remunerations and to reward exceptional performers with accelerated or more compact vesting schedule, enabling the Group to provide a competitive remuneration package to attract and retain individuals, to reward past contribution which may otherwise be neglected due to administrative or compliance reasons and to grant Awarded Shares in exceptional circumstances where justified, as set out in paragraphs 5.2(F)(b)(v) and (vi) of Appendix II. The accelerated vesting period is only applicable to Employee Participants and vesting period applicable to the Related Entity Participants and Service Provider Participants shall not be less than 12 months.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in paragraph 9.3 of Appendix I and paragraph 5.2(F) of Appendix II to this circular is in line with market practice, appropriate and aligns with the purpose of the New Share Schemes.

Exercise Price

The basis for determining the exercise price of the Share Option is specified in the rules of the 2025 Share Option Scheme (see paragraph 7 of Appendix I to this circular). Such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company. The basis of the exercise price of the Share Option complies with the requirements of the Listing Rules and is consistent with the purpose of the 2025 Share Option Scheme as it encourages the Eligible Participants to contribute to the Company and benefit from an increase in market price of the Shares.

Purchase Price

Unless the the Board at their absolute discretion otherwise determine on a case-by-case basis, the Share Awards shall be granted to a Selected Participant at no consideration as to align with the purpose to reward the Eligible Participants who have contributed or will contribute to the Group. The Board may determine in its absolute discretion the purchase price of the Share Awards (if any) and the period within which any such payments must be made, which shall be based on considerations such as the prevailing market price of the Shares, the purpose of the Share Awards and the characteristics and profile of the relevant Selected Participant.

LETTER FROM THE BOARD

Performance target and clawback mechanism

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before any Option may be exercised and the Board is entitled to impose any conditions as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares. The Board believes that by increasing the flexibility of the Board in setting the terms and conditions of the New Share Schemes in particular circumstances of each grant, the Company will be in a better position to provide meaningful incentives to attract and retain high calibre talents and to strengthen the ties with those who have been/are bringing value to the long-term development of the Group through the New Share Schemes. It is not practicable to specify a common set of conditions in the New Share Schemes, since each grantee will have different roles and contribute to the Group in different ways. The Board considers that it is more beneficial for the Company to retain the flexibility to determine when and to what extent such conditions are appropriate in light of the particular circumstances of each grant, and therefore such arrangements align with the purposes of the New Share Schemes.

When performance targets are to be imposed upon grantees in the relevant offer letter or vesting instrument, the Board aims to incentivise the grantee to continue to contribute to the long-term growth of the Group. In determining the performances target, the Board may have regard to the New Share Schemes with reference to factors, including but not limited to, (i) key performance indicators in respect of the Group as a whole, its principal businesses and operations, business units and functional departments, which may include earnings, profits, sales, revenue, Share price, (ii) performance of Eligible Participant(s) taking into account his/her roles and duties in/with the Group and (iii) such other goals as the Board may determine from time to time. The Board will compare the actual performance against the performance target when vesting the Options or the Awards to the grantees.

Options shall lapse automatically if a grantee ceases to be an Eligible Participant by reason of the termination of his/her relationship with the Company and/or any of the Subsidiaries on any one or more of the grounds that he/her has been guilty of serious misconduct or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Company and/or any of the Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a grantee has or has not been terminated on one or more of the above grounds shall be conclusive. The above clawback mechanism is consistent with the purpose of the 2025 Share Option Scheme as an otherwise Eligible Participant falling under any of the above grounds should not be rewarded under the 2025 Share Option Scheme.

LETTER FROM THE BOARD

Awards shall automatically lapse and Awarded Shares shall not vest accordingly in the event described in paragraph 5.4(B) of the Amended Share Scheme II. The Company may recover or withhold any Awards granted to any Selected Participants in the event the Board determines that such Selected Participant has committed serious misconduct or breach its employment or service agreement or letter of appointment with the Company. The above clawback mechanism is consistent with the purpose of the Amended Share Scheme II as an otherwise Eligible Participant falling under any of the above grounds should not be rewarded under the Amended Share Scheme II.

At the Latest Practicable Date, the Company did not intend to grant Options under the 2025 Share Option Scheme or Awarded Shares under the Amended Share Scheme II upon their adoption. The Board will from time to time consider whether to grant any Options or Awarded Shares to the Eligible Participants based on a number of factors including, among others, the Group's overall financial performance, the individual performance of the Eligible Participants and their contribution to the revenue, profits or business development of the Group.

Rights of Selected Participants

A Selected Participant cannot vote or receive dividends and does not have any right of a shareholder in respect of the Shares until the Awarded Shares are allotted and issued to the Selected Participant or until the Option have been exercised and the he/she has been registered in the register of members of the Company in respect of the Shares.

Duration

Subject to early termination as specified in the Share Scheme, the Share Schemes shall be valid and effective for a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date.

Termination

The Share Schemes may be terminated at any time by ordinary resolution of Shareholders in general meeting of Company or by the Board when it resolves that no further Awards or Options will be granted thereunder. Although no further grant of Awards or Options shall be made but the Share Schemes will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Awards or Options, vesting of any Awarded Shares or exercise of Options or otherwise as may be required in accordance with the Share Schemes.

Ranking of Shares

The Share issued upon the exercise of an Option or vesting of an Award will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the fully paid Shares in issue on the date when the name of the grantee is registered on the register members of the Company.

LETTER FROM THE BOARD

Reorganisation of Capital Structure

In the event of a capitalisation issue or rights issue of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:

- (a) the number of Shares subject to the Scheme Mandate Limit (as refreshed from time to time);
- (b) the number of Awarded Shares pursuant to the outstanding Awards or the number of Shares subject to outstanding Options, and/or
- (c) the Exercise Price,

provided that

- (c) no adjustments may be made to the advantage of any Selected Participant unless with the prior approval by ordinary resolution of Shareholders in general meeting of the Company;
- (d) an adjustment will be made, to the extent practicable, in accordance with the following principles: (i) on the basis that each Selected Participant will have the same proportion of the Shares to which he/she would have been entitled immediately prior to the event leading to the requirement to perform the adjustment; and (ii) Shares will not be issued at less than its nominal value;
- (e) In respect of any adjustment required in this paragraph, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the auditors that the adjustments satisfy the conditions set out in this paragraph (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial adviser or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Selected Participants. The costs of the Adjustment Certificate will be borne by the Company;
- (f) an adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment and (ii) if necessary, the issue of the Adjustment Certificate; and
- (g) the Company will within thirty Business Days of the announcement of the relevant corporate event leading to the requirement to perform the adjustment inform each Selected Participant of the adjustment.

LETTER FROM THE BOARD

Transferability of Options and Awards

A grantee cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or otherwise dispose of any of his/ her Options or purport to do any of the foregoing. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such grantee.

Prior to the Vesting Date, a grantee shall not sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Awarded Shares.

Conditions of the adoption of the New Share Schemes

The adoption of the 2025 Share Option Scheme is conditional upon (i) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to approve and adopt the 2025 Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares (including any sale or transfer of treasury Shares out of treasury) pursuant to the exercise of any Options; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options which may be granted under the 2025 Share Option Scheme.

The adoption of the Amended Share Scheme II is conditional upon (i) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to approve and adopt the Amended Share Scheme II and to authorise the Board to grant share awards under the Amended Share Scheme II and to allot, issue and deal with the Awarded Shares; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Awarded Shares to be issued pursuant to the grant under the Amended Share Scheme II.

GENERAL

None of the Directors is a trustee of the New Share Schemes nor has a direct or indirect interest in the 2025 Trustee.

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 allotted and issued by the Company pursuant to the grant of Options in accordance with the terms and conditions of the 2025 Share Option Scheme, and the Awarded Shares to be issued pursuant to the grant under the Amended Share Scheme II.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Board after making all reasonable enquiries, no Shareholder had a material interest in the adoption of the 2025 Share Option Scheme and the Amended Share Scheme II. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

As options may be granted to a director, chief executive or substantial shareholder of the Company or any of its associates under the 2025 Share Option Scheme, Rule 17.04 of the Listing Rules is applicable.

LETTER FROM THE BOARD

The Company will enter into the 2025 Trust Deed with Futu Trustee Limited and appoint it as the 2025 Trustee under the Amended Share Scheme II. To the best knowledge, information and belief of the Board after making all reasonable enquiries, the 2025 Trustee and its ultimate beneficial owners are all independent of the Company under the Listing Rules.

The Company has sought legal advice on the applicability of the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Ordinance**”). As advised by the Hong Kong legal advisers of the Company, the Directors understand that whilst the New Share Schemes are not restricted to executives and employees of the Group, the adoption of the New Share Schemes would not constitute an offer to public and prospectus requirements under the Ordinance is not applicable.

THE EGM AND CLOSURE OF REGISTER OF MEMBERS

A notice convening the EGM to be held at 4:30 p.m. on 19 December 2025 at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da’an District, Taipei, Taiwan as set out on pages EGM-1 to EGM-3 of this circular for the Shareholders to consider and, if thought fit, to approve the proposed adoption of the 2025 Share Option Scheme and the proposed amendment of the Share Award Scheme II by way of ordinary resolutions.

A proxy form for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not later than 48 hours (i.e., 4:30 p.m. on Wednesday, 17 December 2025) before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof (as the case may be) should you so desire and, in such event, the proxy form shall be deemed to be revoked.

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 16 December 2025 to Friday, 19 December 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 15 December 2025.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, all votes 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. The chairman of the EGM will therefore demand that the resolutions as set out in the Notice of Extraordinary General Meeting will be voted upon by way of poll at the EGM (or at any adjournment thereof) and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As far as the Board is aware, there is no Shareholder who is required to abstain from voting under the Listing Rules.

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 are of the opinion that the proposed adoption of the 2025 Share Option Scheme and the proposed amendment of the Share Award Scheme II are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the EGM and to approve the same.

By order of the Board
Natural Beauty Bio-Technology Limited
Lei Chien
Chairperson



自然美

NATURAL BEAUTY

Natural Beauty Bio-Technology Limited

自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00157)

SHARE OPTION SCHEME

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Natural Beauty Bio-Technology Limited

(Incorporated in the Cayman Islands with limited liability)

RULES OF THE SHARE OPTION SCHEME**1. DEFINITIONS**

- 1.1 In this Scheme, except where the context otherwise requires, the following words and expressions have the following meanings:–

“**Acceptance Date**” means the date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date not later than 28 days after the Offer Date;

“**Adoption Date**” means 19 December 2025, the date on which this Scheme was conditionally adopted by a resolution of the shareholders of the Company;

“**approved independent financial adviser**” means such independent financial adviser as approved by the Board;

“**Articles**” means the articles of association of the Company as amended from time to time;

“**associate**” shall have the meaning ascribed to it in the Listing Rules;

“**Auditors**” means the auditors for the time being of the Company;

“**Board**” means the board of directors of the Company for the time being or a duly authorised committee thereof;

“**Business Day**” means a day on which the Stock Exchange is open for the business of dealing in securities;

“**Cancelled Shares**” means those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently cancelled. For the avoidance of doubt, “**Cancelled Shares**” shall exclude “**Lapsed Shares**”;

“**Commencement Date**” means, in respect of an Option, the date upon which such Option is deemed to be granted and accepted in accordance with paragraph 5.4;

“**Company**” means Natural Beauty Bio-Technology Limited (自然美生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange under the stock code 00157;

“**connected person**” has the meaning ascribed to it in the Listing Rules;

“**Director**” means any director of the Company from time to time;

“**Eligible Participant(s)**” means the Employee Participants, Related Entity Participants and the Service Provider Participants;

“**Employee Participant(s)**” means the directors, chief executive and employees of the Company or any of its subsidiaries, provided that the Board shall have absolute discretion to determine whether or not one falls within such category;

“**Exercise Price**” means the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with paragraph 7;

“**Expiry Date**” means, in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option;

“**Grantee**” means any Eligible Participant who accepts the offer of the grant of an Option in accordance with the rules of this Scheme;

“**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Lapsed Shares**” means those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently lapsed. For the avoidance of doubt, “**Lapsed Shares**” shall exclude “**Cancelled Shares**”;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

“**Offer Date**” means in respect of an Option, the date on which such Option is offered to an Eligible Participant which must be a Business Day;

“**Option**” means an option to subscribe for Shares granted pursuant to this Scheme and for the time being subsisting;

“**Option Period**” means in respect of an Option, the period to be notified by the Board to each Grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;

“**other schemes**” means other than this Scheme, all the schemes involving the grant by the Company of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or any arrangement involving the grant of options to participants over Shares or other securities of the Company which, in the opinion of the Stock Exchange, is analogous to a share option scheme as described in Chapter 17 of the Listing Rules;

“**Personal Representative(s)**” means a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;

“**Related Entity(ies)**” means the holding companies, fellow Subsidiaries or associated companies of the Company;

“**Related Entity Participant(s)**” means the employees (including directors) of the Related Entities;

“**this Scheme**” means the share option scheme, the rules of which are set out in this document in its present or any amended form;

“**Scheme Mandate Limit**” has the meaning ascribed to it in paragraph 11.1;

“**Scheme Period**” means a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive);

“**Selected Participant(s)**” means Eligible Participant(s) selected by the Board pursuant to Paragraph 4 for participation in this Scheme (or in the case of a Selected Participant, his legal personal representative or lawful successor as the case may be);

“**Service Provider Participant(s)**” means any person who, or entity which provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including franchisees, distributors and agents, consultants and advisers engaged to provide services in relation to the business of the Group, as determined by the Board in its sole and absolute discretion, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

“**Service Provider Sublimit**” has the meaning ascribed to it in paragraph 11.2;

“**Shares**” means ordinary shares of HK\$0.01 each in the capital of the Company or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“**Special Resolution**” means a resolution passed at a meeting of the Grantees (being only those Grantees holding Options, all or any part of which is unexercised as at the time of the meeting at which the resolution is proposed) duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on a poll;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued share capital of the Company is primarily listed;

“**Subsidiary**” means a subsidiary for the time being of the Company within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) whether incorporated in the Cayman Islands or elsewhere and “**Subsidiaries**” shall be construed accordingly;

“**substantial shareholder**” has the meaning ascribed to it in the Listing Rules; and

“**treasury Shares**” has the meaning ascribed to it in the Listing Rules and as amended from time to time.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter; and
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute.

2. CONDITIONS

2.1 This Scheme shall take effect upon:

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to approve and adopt the Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares (including any sale or transfer of treasury Shares out of treasury) pursuant to the exercise of any Options; and
- (b) the Listing Committee of Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued by the Company pursuant to the exercise of any Options (subject to an initial limit of 10% of the aggregate number of Shares in issue (excluding any treasury Shares, if any) of the date of such Shareholders' resolution to approve and adopt the Scheme).

3. PURPOSE, DURATION AND CONTROL OF SCHEME

3.1 The purpose of this Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group and to provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (a) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

3.2 Subject to paragraph 17, this Scheme shall be valid and effective for the Scheme Period after which no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.

3.3 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

4. DETERMINATION OF ELIGIBILITY

- 4.1 The basis of eligibility of any Eligible Participant to the grant of any Option shall be determined by the Board from time to time on the basis of the Eligible Participant's contribution or potential contribution to the development and growth of the Group.
- 4.2 In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.
- (a) In assessing the eligibility of an Employee Participant, the Board will consider all relevant factors as appropriate, including, among others:
- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) his/her performance, time commitment, responsibilities or employment conditions and the length of his/her service with the Group; and
 - (iii) his/her contribution made or expected to be made to the growth of the Group.
- (b) In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
- (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group;
 - (ii) the period of engagement or employment of the Related Entity Participant by the Group;
 - (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
 - (iv) whether the Related Entity Participant has or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationships; and

- (v) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- (c) In the case of Service Provider Participants, such category of participants are:

| Category | Services provided by the Service Provider Participants | Eligibility criteria |
|----------------------------------|---|---|
| Franchisees | Operating franchising spa stores in PRC and Taiwan, providing spa services and sales of Company's products to end customers and services in relation to market expansion, store development and operation, post-sales services, advertisement and brand promotion, e-commerce, internet content and media for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | <p>(i) A franchisee achieving the top 5% (or other proportion determined by the Board) in terms of annual sales revenue; or</p> <p>(ii) For spa store which the Company is a controlling shareholder, the spa store managed by such a franchisee achieves break-even in the first three years of operation and maintain profits in the subsequent two years or other profit target determined by the Board.</p> |
| Distributors | Sale of Company's products, provision of services in relation to market expansion, advertisement and brand promotion, post-sales services, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | Distributor that achieves top 10% (or other proportion determined by the Board) or RMB5 million in terms of annual revenue (or other target determined by the Board). |
| Agents, consultants and advisers | Providing business advice, trading opportunity and resources related to the sale of products, market expansion, advertisement and brand promotion, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | The new spa store(s) referred or introduced by the agent, consultant and adviser reaches the annual revenue target (approximately RMB 192,000 or as determined by the Board) and the number of new spa store opened determined by the Board (80 stores per year or other number as determined by the Board). |

In determining the basis of a Service Provider Participant, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Provider Participant; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Provider Participant; (v) the scale of business dealings with the Group, in particular, whether such Service Provider Participant could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider Participant; and (vi) the Group's future business plans in relation to further collaboration with such Service Provider Participant and the long-term support that the Group may receive accordingly.

5. GRANT OF OPTIONS

- 5.1 The total number of Shares issued and to be issued upon exercise of the Options and the options or awards granted under any other share option scheme and share award scheme of the Group (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with the terms of the scheme) to each Grantee in any 12-month period up to and including the date of such grant in aggregate shall not exceed one (1) per cent of the relevant class of Shares in issue (excluding any treasury Shares, if any) ("**1% Individual Limit**").
- 5.2 If the Board determines to offer Options to an Eligible Participant which exceed the 1% Individual Limit:
- (a) the issue of a circular by the Company to the Shareholders containing the identity of the Eligible Participant, the numbers of and terms of the Options to be granted (and the options or awards granted under any share option scheme and share award scheme of the Group previously granted to such Eligible Participant in the 12-month period), the purpose of granting the Options to such Eligible Participant and an explanation as to how the terms of the Options serve such purpose; and
 - (b) a separate approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or associates if the participant is a connected person) shall abstain from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposed to grant such further options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the exercise price. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

- 5.3 If the Board determines to offer an Option to an Eligible Participant in accordance with paragraph 4, the Board shall forward to the relevant Eligible Participant an offer document in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:–
- (a) the Eligible Participant's name, address and occupation;
 - (b) the Offer Date;
 - (c) the Acceptance Date;
 - (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
 - (e) the number of Shares in respect of which the Option is offered;
 - (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
 - (g) the Expiry Date in relation to that Option;
 - (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 5.4; and
 - (i) such other terms and conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before the Option can be exercised) relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the Listing Rules.
- 5.4 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptance of the Option duly signed by the Grantee, 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 on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable.
- 5.5 Any offer to grant an Option may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the Option in the manner as set out in paragraph 5.4. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.
- 5.6 The Options shall not be listed or dealt in on the Stock Exchange.

- 5.7 An Option granted under this Scheme shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.
- 5.8 For so long as the Shares are listed on the Stock Exchange, the Board shall not grant any Option after inside information has come to its knowledge until (and including) the Board has announced the information pursuant to the requirements of the Listing Rules. In particular, no Options shall be granted during the period commencing 30 days immediately preceding the earlier of:
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to publish an announcement of 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 actual date of publication of the results announcement, and where the grant of Options is to a Director;
 - (c) no Options shall be granted during the period of 60 days immediately preceding the publication date of the annual results, or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (d) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

6. OPTIONS TO CONNECTED PERSONS

- 6.1 If the Board determines to offer to grant Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors of the Company (and in the event that the Grantee is an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant).

- 6.2 If the Board determines to offer to grant Options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options (including the Options) or awards granted (excluding any options (including the Options) or awards lapsed in accordance with the terms of the relevant schemes) to such person in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent of the relevant class of Shares in issue on the Offer Date (excluding treasury Shares), such grant shall be subject to, (i) the issue of a circular by the Company to the Shareholders; and (ii) the approval by the Shareholders in general meeting at which the proposed Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- 6.3 Any change in the terms of any Option granted to a Director, chief executive or substantial shareholder of the Company which would result in the number and value of the shares exceeding that set out in paragraph 6.2 shall be subject to:
- (a) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of the Listing Rules; and
 - (b) the change has been approved by the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons shall be abstained from voting in favour at such meeting.
- 6.4 The circular to be issued by the Company to its shareholders pursuant to paragraph 6.2 shall contain the following information:
- (a) the details of the number and terms (including the Exercise Price) of the Options to be granted to each Eligible Participant which must be fixed before the shareholders' meeting and the Offer Date (which shall be the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant);
 - (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
 - (c) the information required under Rules 17.02(2)(c) of the Listing Rules; and
 - (d) the information required under Rule 2.17 of the Listing Rules.

7. EXERCISE PRICE

7.1 The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 12, be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant;
- (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

8. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

8.1 The Board may at its discretion specify any performance target or condition in the offer letter at the grant of the relevant Option which must be satisfied before any Option may be exercised. Save as the clawback mechanism set out in paragraph 10 and save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no other clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

8.2 When performance targets are to be imposed upon grantees in the relevant offer letter, the Board aims to incentivise the grantee to continue to contribute to the long-term growth of the Group. In determining the performances target, the Board may have regard to the Scheme with reference to factors, including but not limited to, (i) key performance indicators in respect of the Group as a whole, its principal businesses and operations, business units and functional departments, which may include earnings, profits, sales, revenue, Share price, (ii) performance of Eligible Participant(s) taking into account his/her roles and duties in/with the Group and (iii) such other goals as the Board may determine from time to time. The Board will compare the actual performance against the performance target when vesting the Options to the grantees.

9. EXERCISE OF OPTIONS

- 9.1 Subject to paragraph 9.3, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Auditors or the approved independent financial adviser as the case may be pursuant to paragraph 12, the Company shall allot and issue the relevant number of Shares (including any sale or transfer of treasury Shares) to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.
- 9.2 The vesting of and exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion.
- 9.3 Subject to paragraph 9.5, the vesting period of Options shall not be less than 12 months from the Offer Date, except for such circumstances the Board may consider appropriate and in alignment with the purposes of this Scheme in relation to grant of Options to the Employee Participants under the following circumstances:
- (a) grants of “make-whole” rewards to new joiners to replace the share awards or options they forfeited when leaving the previous employers;
 - (b) grants that are made in batches during a year for administrative and compliance reasons;
 - (c) grants of Options may vest with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; or
 - (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria.
- 9.4 The exercise of any Option shall be subject to the shareholders of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

9.5 Subject as hereinafter provided and to the extent as allowed by the relevant laws and regulations, an Option may be exercised by a Grantee at any time or times during the Option Period provided that:–

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than on his/her death, ill-health, injury, disability or the termination of his/her relationship with the Company and/or any of the Subsidiaries on one or more of the grounds specified in paragraph 10(g), the Option (to the extent not already exercised) shall lapse automatically on the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of the Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) provided that in any such case the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of the Subsidiaries under paragraph 10(g) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised) provided that in any such case the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;
- (c) if a general offer by way of scheme of arrangement is made to all the holders of Shares with this Scheme having been approved by the necessary number of holders of Shares at the requisite meetings and the holding period of such Option is not less than 12 months from the Offer Date, the Grantee may thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent not already exercised even though the Option Period has not come into effect during the occurrence of the general offer) to its full extent or to the extent specified in such notice;
- (d) if a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and the holding period of such Option is not less than 12 months from the Offer Date, 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 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 21 days of the notice given by any such offeror to acquire the remaining Shares;

- (e) 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 and the holding period of such Option is not less than 12 months from the Offer Date, 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 may by notice in writing to the Company (such notice to be received by the Company not later than 4 trading 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 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; and
 - (f) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company and the holding period of such Option is not less than 12 months from the Offer Date, the Company shall forthwith give notice thereof to the Grantee and the Grantee may by notice in writing to the Company (such notice to be received by the Company not later than 4 trading days prior to the proposed shareholders' 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 day immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.
- 9.6 The Board may, in its discretion, require at the time of grant any particular Grantee to achieve such performance targets as the Board may then specify in the grant before any Options granted under this Scheme to such Grantee can be exercised.
- 9.7 No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles for the time being in force and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

10. LAPSE OF OPTION

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

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraphs 9.5(a) or (b);
- (c) subject to the scheme of arrangement becoming effective, the expiry of the periods referred to in paragraphs 9.5(e);
- (d) subject to the voluntary winding-up duly resolved, the expiry of the period referred to in paragraph 9.5(f);
- (e) the date of commencement of the winding-up of the Company;
- (f) subject to the High Court of Hong Kong or Grand Court of the Cayman Islands not making an order prohibiting the offeror to acquire the remaining Shares in the offer, the expiry of the period referred to in paragraph 9.5(d);
- (g) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his/her relationship with the Company and/or any of the Subsidiaries on any one or more of the grounds that he/her has been guilty of serious misconduct or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Company and/or any of the Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and
- (h) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 5.7 or the Options are cancelled in accordance with paragraph 18.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 11.1 The total number of Shares which may be allotted and issued (including any sale or transfer of treasury Shares) in respect of all Options to be granted under this Scheme and any other share option scheme(s) and share award scheme(s) of the Group shall not in aggregate exceed 10% of the total number of Shares in issue (excluding any treasury Shares, if any) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit ("**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to paragraphs 11.4 and 11.6 below.

- 11.2 Subject to paragraph 11.1, the total number of the Shares which may be issued upon the exercise of all Options to be granted to the Service Provider Participant under the Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Service Provider Sublimit**”) shall not exceed 7% of the total number of Shares in issue (excluding the treasury Shares, if any) as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit. The Service Provider Sublimit shall be set within the Scheme Mandate Limit and separately approved by Shareholders in general meeting.
- 11.3 For the avoidance of doubt, the Shares underlying any options (including the Options) granted under the Scheme or any other share option scheme(s) of the Company which have been cancelled will be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Where the Company has reissued such cancelled options, the Shares underlying both the cancelled options and the re-issued options will be counted as part of the total number of Shares subject to paragraphs 11.1 and 11.2. The options (including the Options) or awards lapsed in accordance with the terms of the Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s) of the Company will, however, not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- 11.4 The Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and the Service Provider Sublimit after three years from the approval of the Shareholders for the adoption of this Scheme or the last refreshment. The total number of Shares which may be allotted and issued (including any sale or transfer of treasury Shares) upon exercise of all Options to be granted under this Scheme and any other share option scheme(s) and share award scheme(s) of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue (excluding any treasury Shares, if any) as at the date of approval of the refreshed scheme mandate limit and the Service Provider Sublimit as refreshed shall not exceed 7%. The Company shall send a circular to the Shareholders containing the number of options (including the Options) and awards that were already granted under the Scheme Mandate Limit and the Service Provider Sublimit, and the reason for the refreshment.
- 11.5 No refreshment to the Scheme Mandate Limit and the Service Provider Sublimit shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with Rules 17.03C(1)(b) of the Listing Rules. The requirements under Rule 17.03C(1)(b) of the Listing Rules do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

11.6 The Company may seek separate Shareholders' approval in general meeting to grant Options under this Scheme beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in paragraph 11.4 and/or paragraph 11.6 provided the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price. The Company must send a circular to the Shareholders containing the name of each Selected Participant, the number and terms of the Options to be granted to each Selected Participant, and the purpose of granting Options to the Selected Participants with an explanation as to how the terms of the Options serve such purpose.

11.7 The Scheme Mandate Limit or the Service Provider Sublimit (or as increased in accordance with paragraph 11.4 or paragraph 11.6, as the case may be) shall be adjusted, in such manner as the Auditors or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph 12 whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company but in any event shall not exceed the limit prescribed in paragraph 11.4.

12. CAPITAL RESTRUCTURING

12.1 In the event of a capitalisation issue or rights issue of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:

- (a) the number of Shares subject to the Scheme Mandate Limit (as refreshed from time to time);
- (b) the number of Shares subject to outstanding Options; and/or
- (c) the Exercise Price.

12.2 No adjustments required in paragraph 12.1 may be made to the advantage of any Selected Participant unless with the prior approval by ordinary resolution of Shareholders in general meeting of the Company.

12.3 An adjustment will be made, to the extent practicable, in accordance with the following principles: (a) on the basis that each Selected Participant on exercise of his/her Options will have the same proportion of the issued share capital of the Company to which he/she would have been entitled if he/she were to exercise the Options immediately prior to the event leading to the requirement to perform the adjustment; and (b) Shares will not be issued at less than its nominal value.

12.4 In respect of any adjustment required in paragraph 12.1, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the auditors that the adjustments satisfy the conditions set out in paragraph 12.3 (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial adviser or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Selected Participant. The costs of the Adjustment Certificate will be borne by the Company.

12.5 An adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment and (ii) if necessary, the issue of the Adjustment Certificate.

12.6 The Company will within thirty Business Days of the announcement of the relevant corporate event leading to the requirement to perform the adjustment inform each Selected Participant of the adjustment. If the Company receives an exercise notice from a Selected Participant after such notification but before the Adjustment Certificate is issued, the Company will inform the Selected Participant of such fact in which case the Selected Participant can either give notice within fourteen Business Days after receiving the relevant notice from the Company to withdraw the exercise notice or if he/she fails to withdraw the exercise notice that exercise notice will be deemed to have been received by the Company on the date when the Company receives the certification and the Company will accordingly process the exercise notice based on the adjusted exercise price as set out in the Adjustment Certificate.

13. VALUE OF OPTIONS

The information on value of the Options granted in any financial period will be provided to the Shareholders based on Black-Scholes option pricing model, the binomial mode or a comparable generally accepted methodology as at the end of relevant financial period for any annual or interim reports of the Company.

14. SUFFICIENT SHARE CAPITAL

The Board shall at all times set aside for the purposes of this Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

15. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Exercise Price or otherwise) shall be referred to the Board or Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

16. ALTERATION OF THIS SCHEME

16.1 The terms and conditions of this Scheme and the regulations for the administration and operation of this Scheme (provided that the same are not inconsistent with this Scheme and the Listing Rules) may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules, including without limitation, the definitions of “Eligible Participant”, “Expiry Date”, “Grantee” and “Option Period” in paragraph 1.1 and the provisions in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 17, 18 and this paragraph 16;
- (b) any material alteration to the terms and conditions of this Scheme or any change to the terms of Options granted (except any alterations which take effect automatically under the terms of this Scheme); or
- (c) any change to the authority of the Board to alter the terms of this Scheme;

must be made with the prior approval of the shareholders of the Company in general meeting at which any persons to whom or for whose benefit the Shares may be issued under this Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of this Scheme or the Options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or
- (ii) the sanction of a Special Resolution.

Written notice of any alterations made in accordance with this paragraph 16.1 shall be given to all Grantees.

16.2 In respect of any meeting of Grantees referred to in paragraph 16.1, all the provisions of the constitutional documents for the time being of the Company as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:–

- (a) not less than seven days’ notice of such meeting shall be given;

- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Options then outstanding unless there is only one Grantee holding all Options then outstanding, in which case the quorum shall be one Grantee;
- (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he would be entitled upon exercise in full of his Options then outstanding;
- (d) any Grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than fourteen days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

17. TERMINATION

17.1 The Scheme shall terminate on the earlier of the tenth (10) anniversary date of the Adoption Date; and (ii) such date of early termination by ordinary resolution of Shareholders in general meeting of Company or by the Board when it resolves that no further Options will be granted thereunder. Upon termination of this Scheme, no further Options shall be offered but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of (i) any Option granted but not exercised prior to the termination or (ii) in respect of which Shares are not yet issued to the Eligible Participants or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

17.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme shall be disclosed in the circular to Shareholders of the Company seeking approval of the new scheme established after the termination of this Scheme.

18. CANCELLATION OF OPTIONS GRANTED

Any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 5.7. Where the Company cancels Options, the grant of new Options to the same Grantee may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit or the limits approved by the Shareholders pursuant to paragraphs 11.4 and 11.6. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

19. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Board shall procure that details of this Scheme and other schemes of the Group are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.

20. GENERAL

- 20.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Auditors or the independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 20.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him, during normal office hours at the Company's principal place of business in Hong Kong.
- 20.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.
- 20.4 Any notice or other communication served:–
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 20.5 All allotments and issues of Shares (including any sale or transfer of treasury Shares) pursuant to this Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme.
- 20.6 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

20.7 This Scheme shall not form part of any contract of employment between the Company or any of the Subsidiaries and any Eligible Participant who is an employee of the Company and/or any of the Subsidiaries and the rights and obligations of any Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

20.8 This Scheme shall in all respects be administered by the Board which (a) shall administer the Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the Listing Rules for the conduct of the Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.

20.9 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his interest, vote on any Board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefit under the Scheme.

21. GOVERNING LAW

This Scheme and all Options granted hereunder are governed by and shall be construed in accordance with the laws of Hong Kong.

**RULES RELATING TO
THE NON-CONNECTED PERSONS SHARE AWARD SCHEME**

1 DEFINITIONS AND INTERPRETATION

(A) In these rules of the Scheme, unless the context otherwise requires, the following words and expressions shall have the meaning shown opposite to them below:–

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| “Adoption Date” | 19 December 2025, being the date on which the Shareholders approved the adoption of this Scheme and the date on which the Company adopted these Scheme Rules for the establishment of this Scheme; |
| “Articles” | the articles of association of the Company, as amended or restated from time to time; |
| “associate” | has the meaning ascribed thereto under the Listing Rules; |
| “Award” | an award of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) by the Board pursuant to Paragraph 5.2(A) or 5.3(D) to a Selected Participant; |
| “Awarded Share(s)” | in respect of a Selected Participant, such number of Shares as awarded by the Board; |
| “Board” | the board of directors of the Company and if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme and/or to deal with the Trust/Trustee in any manner as authorised by the board of directors of the Company; |
| “Business Day” | a day on which the Stock Exchange is open for the business of dealing in securities; |
| “Company” | Natural Beauty Bio-Technology Limited (自然美生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange under the stock code 00157; |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules; |

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| “Contributed Amount” | cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any of the Significant Shareholders, and/or any party designated by the Company as permitted under the Scheme to the Trust as determined by the Board from time to time; |
| “CRS” | the Organisation for Economic Cooperation and Development Common Reporting Standard; |
| “Director(s)” | director(s) of the Company; |
| “Eligible Participant” | <p>(i) Employee Participant;</p> <p>(ii) Related Entity Participant; and/or</p> <p>(iii) Service Provider Participant,</p> <p>at any time during the Trust period, and excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company;</p> |
| “Employee Participant” | employees (including full-time employees and part-time employees) of any member of the Group (including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with any member of the Group); |
| “Excluded Participant” | <p>any Eligible Participant who:</p> <p>(i) at the time of the proposed grant of an Award is a connected person of the Company; and/or</p> |

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| | (ii) is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares (and/or Shares and/or cash representing any income, proceeds or distributions derived from or in respect of the Awarded Shares, where applicable) pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant; |
| “FATCA” | <p>(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations;</p> <p>(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or</p> <p>(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;</p> |
| “General Mandate” | the general mandate granted or to be granted by the shareholders of the Company at general meetings or by way of written resolution(s) (as the case may be) from time to time; |
| “Grant Instrument” | has the meaning ascribed to it in Paragraph 5.2(H); |
| “Group” | the Company and its Subsidiaries from time to time, and “member of the Group” means any or a specific one of them; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |

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| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China; |
| “IRO” | the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong); |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange; |
| “Main Board” | the Main Board of the Stock Exchange; |
| “Related Entity Participant” | refers to employees (including directors) of the holding companies, fellow Subsidiaries or associated companies of the Company; |
| “Relevant Scheme(s)” | has the meaning ascribed thereto under Paragraph 5.5B; |
| “Remuneration Committee” | the remuneration committee of the Company; |
| “Residual Cash” | (a) any Contributed Amount, if received by the Trust for subscription for Shares, which is unutilized and, if applicable, un-refunded to the Company or such other person who contributed the Contributed Amount; (b) any Contributed Amount received by the Trust for any purpose other than subscription for Shares; and (c) other cash in the Trust Fund (including without limitation (i) any cash income or dividends derived from or in respect of Shares held under the Trust; (ii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iii) all interest or income derived from deposits maintained with licensed or regulated banks in Hong Kong or elsewhere); |
| “Scheme” | the “Non-Connected Persons Share Award Scheme” constituted by the rules hereof, in its present form or as amended from time to time in accordance with the provisions hereof; |
| “Scheme Mandate Limit” | having the meaning ascribed to it under Paragraph 7(A) of the Scheme; |

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| “Selected Participant(s)” | Eligible Participant(s) selected by the Board pursuant to Paragraph 5.2(A) for participation in the Scheme (or in the case of a Selected Participant, his legal personal representative or lawful successor as the case may be); |
| “Service Provider Participant(s)” | any person who, or entity which, provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including franchisees, distributors and agents, consultants and advisers engaged to provide services in relation to the business of the Group, as determined by the Board in its sole and absolute discretion, provided that any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity should not be Service Provider Participants; |
| “Service Provider Sublimit” | has the meaning set forth in Paragraph 7(B); |
| “SFO” | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); |
| “Shares” | ordinary shares of HK0.1 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time); |
| “Significant Shareholders” | a person who has beneficial ownership of 5% of the issued share capital of the Company, or control over 5% of the voting powers of the Company, whether directly or indirectly; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |

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| “Subsidiary” | a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere; |
| “Treasury Shares” | Shares repurchased and held by the Company in treasury (if any), as authorised by the laws and regulations of the Cayman Islands and/or the Articles, or has the meaning as maybe amended from time to time in accordance with the Listing Rules; |
| “Trust” | the trust constituted by the Trust Deed; |
| “Trust Deed” | a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time); |
| “Trust Fund” | <p>the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants), including without limitation:</p> <ul style="list-style-type: none">(a) HK\$100 as initial sum;(b) all Shares acquired by the Trustee for the purpose of the Trust (including but not limited to any Awarded Shares whether or not vested in a Selected Participant) and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;(c) all Shares transferred to the Trustee from the trustee of the existing award plan of the Company adopted on 19 December 2025 as duly instructed by the Company;(d) any Residual Cash; and(e) all other properties from time to time representing (a), (b), and (c) above; |

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| “Trust Period” | shall have the meaning as set out in Clause 1.1 of the Trust Deed; |
| “Trustee” | FUTU TRUSTEE LIMITED, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed; |
| “US” | the United States of America; |
| “Vesting Date” | in respect of a Selected Participant, the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with Paragraph 5.3(A) and other terms of the Scheme; |
| “Vesting Instrument” | has the meaning ascribed to it in Paragraph 5.3(B); and |
| “Vesting Schedule” | the schedule in respect of the vesting of the Awarded Share(s) in the Selected Participant, which shall comprise a minimum period of twelve (12) months or such other shorter vesting period as may be determined by the Remuneration Committee or as may be permitted under the Listing Rules. |

(B) In these rules of the Scheme, save where the context otherwise requires:–

- (i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of these rules of the Scheme;
- (ii) references to Paragraphs are references to paragraphs of these rules of the Scheme;
- (iii) references to any statute or statutory provision (including the Listing Rules) shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (iv) expressions in the singular shall include the plural and vice versa;
- (v) expressions in any gender shall include other genders;
- (vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind;

2 OBJECTIVES AND CONDITIONS

(A) The specific objectives of the Scheme are:–

- (i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

(B) These rules serve to set out the terms and conditions upon which the incentive arrangement for the Eligible Participants shall operate.

(C) This Scheme shall take effect subject to and conditional upon:

- (i) approval of the Shareholders being obtained through the passing of resolutions by the Shareholders to adopt this Scheme and to authorise the Board to grant Awards under this Scheme and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of this Scheme; and
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing this Scheme Mandate Limit to be allotted and issued by the Company pursuant to any grant of any Awards in accordance with the terms and conditions of this Scheme.

3 DURATION

Subject to any early termination as may be determined by the Board pursuant to Paragraph 11, the Scheme shall be valid and effective for a term of TEN (10) years commencing on the Adoption Date, after which no further Awards will be granted.

4 ADMINISTRATION

(A) The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding.

(B) The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

5 OPERATION OF SCHEME**5.1 Contribution to the Trust**

- (A) The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any of the Significant Shareholders or any party designated by the Company as directed by the Board which shall constitute part of the Trust Fund, for the subscription (as the case may be) of Shares and other purposes set out in the Scheme Rules and the Trust Deed. Subject to prior written direction and/or consent of the Board, the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any of the Significant Shareholders or any party designated by the Company from time to time in such number as such Significant Shareholder or such party designated by the Company may at their sole discretion determine, which shall constitute part of the Trust Fund. The Trustee shall administer the Shares in the same manner in accordance with the Trust Deed and Scheme Rules regardless whether they are subscribed for or otherwise acquired by the Trust or transferred, gifted, assigned, or conveyed to the Trust.
- (B) In the case of subscription for Shares, the Board shall determine the number of Shares to subscribe for and, prior to the intended subscription, cause to be paid to the Trustee a Contributed Amount sufficient for the Trustee to complete the intended subscription unless it is determined by the Trustee that the Residual Cash then held by the Trustee is sufficient to complete the intended subscription. For the subscription for Shares as described in Paragraphs (C) to (E) below, the Trustee shall first apply the Contributed Amount, and if the Contributed Amount is utilized in full, the Trustee may apply Residual Cash to the extent necessary to complete the subscription (as the case may be). For the avoidance of doubt, if any portion of any Contributed Amount intended for the subscription for the Shares was not fully utilized for the subscription, such portion shall constitute part of the Residual Cash.

- (C) Subject to Paragraphs 5.6(B) and 7(A), in the event that the Board determines that it is appropriate for the Awarded Shares to be allotted and issued as new Shares under the General Mandate for the purpose of the Trust, the Board shall instruct the Trustee in writing on the subscription for Shares. As soon as practicable but in any event not later than five (5) Business Days after the receipt of the Board's instruction, the Trustee shall pay the subscription price from the Contributed Amount and/or the Residual Cash for the Company to allot and issue to the Trustee such number of new Shares corresponding to the aforesaid total subscription price and such new Shares shall be held upon trust for the relevant Selected Participant subject to the terms and conditions set out herein and in the Trust Deed. The Company shall allot and issue such new Shares at not less than nominal value to the Trustee. The Company shall comply with the relevant Listing Rules and the Articles when allotting and issuing any new Shares under the General Mandate and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued to the Trustee pursuant to this Paragraph 5.6(B). The Company intends to use the General Mandate available at the time of granting the Shares. Notwithstanding anything to the contrary in this Trust Deed, the Trustee is under no obligation to subscribe for new Shares as instructed by the Board unless, in the opinion of the Trustee, the total subscription price and all necessary expenses to complete the intended subscription can be funded in full by the Contributed Amount and/or Residual Cash.

5.2 Grant of Awarded Shares to Selected Participants

- (A) Subject to the provisions of the Scheme (including but not limited to the restrictions set out in Paragraphs 5.6(B), 7(A) and 7(B)), the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and subject to applicable Listing Rules grant such number of Awarded Shares to any Selected Participant and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.
- (B) In determining the eligibility of Employee Participants to participate in this Scheme, the Board will consider, among other things, (a) their performance, (b) their skill, knowledge, experience, expertise and other personal qualities, (c) the length of their service with the Group and (d) their contribution or potential contribution to the development and growth of the Group.

- (C) In determining the eligibility of Related Entity Participants to participate in this Scheme, the Board will consider, among other things, (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationships; (e) and the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- (D) In the case of Service Provider Participants, such category of participants are:

| Category | Services provided by the Service Provider Participants | Eligibility criteria |
|----------------------------------|---|---|
| Franchisees | Operating franchising spa stores in PRC and Taiwan, providing spa services and sales of Company's products to end customers and services in relation to market expansion, store development and operation, post-sales services, advertisement and brand promotion, e-commerce, internet content and media for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | <p>(i) A franchisee achieving the top 5% (or other proportion determined by the Board) in terms of annual sales revenue; or</p> <p>(ii) For spa store which the Company is a controlling shareholder, the spa store managed by such a franchisee achieves break-even in the first three years of operation and maintain profits in the subsequent two years or other profit target determined by the Board.</p> |
| Distributors | Sale of Company's products, provision of services in relation to market expansion, advertisement and brand promotion, post-sales services, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | Distributor that achieves top 10% (or other proportion determined by the Board) or RMB5 million in terms of annual revenue (or other target determined by the Board). |
| Agents, consultants and advisers | Providing business advice, trading opportunity and resources related to the sale of products, market expansion, advertisement and brand promotion, e-commerce, internet content for the Company's existing business of manufacturing and sale of a range of products, including cosmetics, health supplements and beauty apparatus. | The new spa store(s) referred or introduced by the agent, consultant and adviser reaches the annual revenue target (approximately RMB 192,000 or as determined by the Board) and the number of new spa store opened determined by the Board (80 stores per year or other number as determined by the Board). |

In determining the basis of a Service Provider Participant, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Provider Participants; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Provider Participants; (v) the scale of business dealings with the Group, in particular, whether such Service Provider Participants could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider Participants; and (vi) the Group's future business plans in relation to further collaboration with such Service Provider Participants and the long-term support that the Group may receive accordingly.

- (E) In determining the number of Awarded Shares to be granted to any Selected Participant (excluding any Excluded Participant), the Board shall take into consideration matters including, but without limitation to:
 - (a) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
 - (b) the general financial condition of the Group;
 - (c) the Group's overall business objectives and future development plan;
 - (d) the view of the Remuneration Committee; and
 - (e) any other matter which the Board considers relevant.
- (F) (a) The Board is entitled to impose any conditions (including a period of continued service within the Group after the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Participant providing that, subject to Paragraph 5.2(F)(b) in these Scheme Rules, the vesting period for the Awarded Interests shall not be less than twelve (12) months from the Grant Date and shall inform the Trustee and such Selected Participant the relevant conditions of the Award and the Awarded Shares. Notwithstanding any other provisions of the Scheme, subject to applicable laws and regulations, the Board shall be at liberty to waive any vesting conditions referred to in this Paragraph 5.2(F).

- (b) Notwithstanding any other provisions of this Scheme, subject to applicable laws and regulations, the Board may in its sole and absolute discretion to determine that the Awards granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months from the Grant Date in the following circumstances:
 - (i) Awards are grant of “make-whole” share awards to an Employee Participant who is a new joiner of the Group to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) Awards are granted to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of shares awards may accelerate;
 - (iii) Awards are subject to performance-based vesting conditions provided in the Grant Instrument, in lieu of time-based vesting criteria;
 - (iv) Awards that are made in batches during a year for administrative and compliance reasons; or
 - (v) grants of Options or Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months.
- (c) When performance targets are to be imposed upon grantees in the relevant vesting instrument, the Board aims to incentivise the grantee to continue to contribute to the long-term growth of the Group. In determining the performances target, the Board may have regard to the Scheme with reference to factors, including but not limited to, (i) key performance indicators in respect of the Group as a whole, its principal businesses and operations, business units and functional departments, which may include earnings, profits, sales, revenue, Share price, (ii) performance of Eligible Participant(s) taking into account his/her roles and duties in/with the Group and (iii) such other goals as the Board may determine from time to time. The Board will compare the actual performance against the performance target when vesting the Awards to the grantees.
- (G) Where a Selected Participant who is not a connected person of the Company on the date on which the Award was granted to him/her subsequently becomes a connected person of the Company prior to vesting of the Award, vesting of the Award will be subject to compliance by the Company of requirements under Chapter 14A of the Listing Rules, where applicable, and the Remuneration Committee shall have the absolute discretion to alter the vesting of or terminate such Award where such requirements would, in the opinion of the Remuneration Committee, be burdensome on the Company.

- (H) The Company shall comply from time to time with any applicable provisions of the Listing Rules in respect of its disclosure obligation(s) on the granting of Awards, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.
- (I) After the Board has decided to make a grant of Awarded Shares to any Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a written instrument in substantially the form set out in Appendix 1 (the **"Grant Instrument"**) which sets out the number of Awarded Shares so granted and the conditions (if any) upon which such Awarded Shares were granted. Upon the due execution of the Grant Instrument by the Company and the relevant Eligible Participant, the Awarded Shares are considered as having been granted to and accepted by the Eligible Participant, who shall become the Selected Participant. The Board shall send a copy of the duly executed Grant Instrument to the Trustee within five (5) Business Days after it is duly executed by the Company and the Selected Participant. The number of Awarded Shares specified in the Grant Instrument shall constitute the definitive number of Awarded Shares being granted to such Selected Participant. The grant price of the Awarded Shares (if any) which shall be specified in the Grant Instrument shall be such price which shall be determined by the Board from time to time in its absolute discretion based on considerations such as the prevailing market price of the Shares, the purpose of the Award and the characteristics and profile of the Eligible Participant.
- (J) If an Eligible Participant fails to execute the Grant Instrument within five (5) Business Days after the Grant Instrument was provided to such Eligible Participant for execution, the relevant Awarded Shares shall be considered as having never been granted to such Eligible Participant and the Awarded Shares shall remain as part of the Trust Fund. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.
- (K) The grant of Awarded Shares shall be satisfied by: (a) new Shares to be subscribed by the Trustee as duly instructed by the Board pursuant to the terms of these Scheme Rules and allotted and issued to the Trustee by the Company; (b) purchase of existing Shares by the Trustee as duly instructed by the Board pursuant to the terms of these Scheme Rules; and/or (c) receipt of Shares as a gift or gratuitous transfer to the Scheme from any Shareholder by the Trustee as duly instructed by the Board pursuant to the terms of these Scheme Rules.
- (L) No instructions shall be given to the Trustee by the Board to subscribe for and/or purchase any Shares for the purpose of this Scheme when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded.

5.3 Vesting of Awarded Shares

- (A) Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the Scheme and the Grant Instrument, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant pursuant to the provision hereof shall vest in such Selected Participant in accordance with the Vesting Schedule as set out under the Scheme and the Grant Instrument, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with Paragraph 5.3(B).
- (B) Upon the vesting of the Awarded Shares,
- (i) barring any unforeseen circumstances, unless otherwise agreed between the Board, and the Trustee, at least thirty (30) Business Days prior to the Vesting Date of the Awards granted to a Selected Participant, the Board shall procure the Company and the Selected Participant to execute a written instrument to confirm the vesting of the Awards in substantially the form set out in Appendix 2 (the “**Vesting Instrument**”). In the Vesting Instrument, the Company may require a Selected Participant to execute certain transfer documents within a prescribed period in order to effect the vesting and transfer of the Awarded Shares;
 - (ii) in the event the Selected Participant (or his legal personal representative or lawful successor as the case may be) fails to execute the Vesting Instrument at least ten (10) Business Days prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Selected Participant shall be automatically forfeited and remain as part of the Trust Fund; and
 - (iii) subject to the receipt by the Trustee of (a) a copy of the duly executed Vesting Instrument and original transfer documents (if any) prescribed by the Trustee and duly signed by the Selected Participant within the period stipulated in the Vesting Instrument referred to in Paragraph 5.3(B)(ii), (b) a confirmation from the Company that all vesting conditions having been fulfilled, and (c) client due diligence documents of the Selected Participant required in accordance with the Trustee’s client due diligence policy, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Participant as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date. Notwithstanding the preceding provisions, if the Board considers appropriate, the Board may direct the Trustee to, as soon as practicable after the Vesting Date, sell, on-market at the prevailing market price, the Shares so vested in the Selected Participant and, within a reasonable time period in satisfaction of the Award, pay the Selected Participant the proceeds in cash arising from such sale (net of brokerage, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, the Financial Reporting Council transaction levy and any other applicable costs).

- (C) Prior to the Vesting Date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not, unless otherwise permitted under the Listing Rules, be assignable nor transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Awarded Shares referable to him pursuant to such Award.
- (D) The Board may at its discretion, with or without further conditions, grant additional Shares or cash award out of the Trust Fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Participant upon the vesting of any Awarded Shares. In such case the Board shall procure the Company and the Selected Participant who wishes to accept the grant to execute a Grant Instrument, which specifies the number of additional Shares and cash amount to be granted to the Selected Participant. The Board shall, within five (5) Business Days after the Grant Instrument is duly signed by the Company and the relevant Selected Participant, send a copy of the duly executed Grant Instrument to the Trustee. The Trustee shall transfer the specified number of additional Shares and the cash award, together with the Awarded Shares, to the Selected Participant on or after the Vesting Date in accordance with Paragraph 5.3(B)(iii).

5.4 Disqualification of Selected Participant

- (A) In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to Paragraph 5.4(B), the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.
- (B) Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include, without limitation, the following:
 - (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;

- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
 - (iii) where such person has been convicted of any criminal offence; or
 - (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.
 - (C) Subject to Paragraph 5.2(F), in respect of an Employee Participant who died at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Employee Participant shall be deemed to be vested on the day immediately prior to his death.
 - (D)
 - (i) In the event of the death of a Selected Participant, the Trustee shall directly or indirectly hold the vested Awarded Shares (hereinafter referred to as “**Benefits**”) upon trust to transfer the same to the legal personal representatives or lawful successors of the Selected Participant within (a) two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or (b) the Trust Period (whichever is shorter); or
 - (ii) If the Benefits fails to be transferred within the sub-paragraph (i) above or would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall remain part of the Trust Fund.
- 5.5 Grant of Award to a director, chief executive or substantial shareholder of the Company, or any of their respective associates
- (A) If applicable, where an Award is to be granted to any Director, the chief executive or any substantial shareholder of the Company (or any of their respective associates), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Selected Participant of the Award.

- (B) If applicable, where an Award (excluding grant of options) is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates), and the grant of Award will result in the number of the Shares issued and to be issued in respect of all awards granted to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of this Scheme and any other share option schemes and/or share award schemes involving the issuance of new Shares adopted and to be adopted by the Company from time to time (together with this Scheme, the “**Relevant Scheme(s)**”)) in the twelve (12) months period up to and including the Grant Date, to exceed 0.1% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the Grant Date, such grant of Award shall not be valid unless:
- (a) the grant of Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Hong Kong Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons (as such term is defined under the Hong Kong Listing Rules) of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the grant of the Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Hong Kong Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive director who is the proposed Selected Participant of the Award) as to whether the terms of the grant of the Award are fair and reasonable, whether such grant of Award is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

5.6 Other terms and conditions

- (A) For the avoidance of doubt,
- (i) subject to Paragraph 5.3(D), a Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date;
 - (ii) a Selected Participant shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust;
 - (iii) no instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee;

- (iv) the Trustee shall abstain from voting in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom);
 - (v) subject to Paragraph 5.3(D), all cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards the payment of the fees, costs and expenses of the Trust and the remainder shall remain as part of the Trust Fund;
 - (vi) unless otherwise waived by the Board, in the event that the vesting conditions specified in the Grant Instrument are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, the Board, the Trust or the Trustee; and
 - (vii) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives or lawful successors of the Selected Participant is made within the period prescribed in Paragraph 5.4(D), and the legal personal representatives or lawful successors of the Selected Participant shall have no claims against the Company or the Trustee.
- (B) No Award shall be made by the Board pursuant to Paragraph 5.2(A) where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules. In particular, no Award shall 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 under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (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 Board may instruct the Trustee in writing to cease receiving any transfer, gift, assignment or conveyance of Shares or to suspend receiving any transfer, gift, assignment or conveyance of Shares until further notice (without specifying any reasons therefor).

- (C) In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the Listing Rules from time to time.
- (D) The Shares to be allotted upon the vesting of an Award shall be subject to the provisions of the Articles for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on the vesting of the Award and accordingly shall entitle the holders of such Shares to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

6 TAKEOVER, REORGANISATION OF CAPITAL STRUCTURE AND WINDING UP

- (A) Notwithstanding any other provision provided herein if there occurs an event of change in control of the Company (whether by way of offer, merger, scheme of arrangement or otherwise) or the Company's withdrawal of its listing from the Stock Exchange pursuant to the Listing Rules prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Participant and the time at which such Awarded Shares shall vest. Subject to the receipt by the Trustee of duly executed prescribed transfer documents within seven (7) Business Days from the deemed Vesting Date, the Trustee shall transfer the Awarded Shares to the Selected Participant in accordance with Paragraph 5.3(B)(iii). For the purpose of this Paragraph 6(A), "control" shall have the meaning as specified in the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs from time to time.
- (B) Subject to Paragraph 6(C) below:
 - (i) in the event that the Company undertakes a subdivision or consolidation of the Shares, such Selected Participant shall be entitled to those Awarded Shares as so subdivided or consolidated and the Board shall as soon as reasonably practicable after such subdivision or consolidation has been effected, notify each such Selected Participant (with a copy of the notification to the Trustee) of the number of Awarded Shares that he has become entitled to on vesting after such subdivision or consolidation (as the case may be).
 - (ii) in the event that the Company undertakes an open offer of new securities in respect of any Shares which are held directly or indirectly by the Trustee under the Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it on the market as is appropriate and, subject to Paragraph 5.3(D), the net proceeds of sale of such rights shall be held as part of the Trust Fund.

- (iii) in the event that the Company issues bonus warrants in respect of any Shares which are held directly or indirectly by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it on the market, subject to Paragraph 5.3(D), the net proceeds of sale of such bonus warrants shall be held as part of the Trust Fund.
 - (iv) in the event that the Company undertakes an issue of bonus Shares, subject to Paragraph 5.3(D), the bonus Shares allotted with respect to any Shares which are held directly or indirectly by the Trustee shall be held as part of the Trust Fund.
 - (v) in the event that the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and, subject to Paragraph 5.3(D), scrip Shares allotted with respect to any Shares which are held directly or indirectly by the Trustee shall be held as part of the Trust Fund.
 - (vi) in the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution and, subject to Paragraph 5.3(D), the net sale proceeds thereof shall be deemed as cash income of a Share held as part of the Trust Fund. in the event the Company undertakes a capitalization issue or capital reduction of the Shares, such Selected Participant shall be entitled to those Awarded Shares as so capitalized after such capitalization issue or those Awarded Shares after such capital reduction and the Board shall as soon as reasonably practicable after such capitalization issue or capital reduction has been effected, notify each such Selected Participant (with a copy of the notification to the Trustee) of the number of Awarded Shares that he has become entitled to on vesting after such capitalization issue or capital reduction (as the case may be).
- (C) If notice is duly given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Participant and the time at which such Awarded Shares shall vest. If the Board determines that any Awarded Shares shall vest, it shall promptly notify the Selected Participant (with a copy of the notification to the Trustee) and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the Awarded Shares which are to become vested in such Selected Participant to such Selected Participant.

- (D) In the event of a capitalisation issue or rights issue of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:
- (a) the number of Shares subject to the Scheme Mandate Limit (as refreshed from time to time); and/or
 - (b) the number of Awarded Shares pursuant to the outstanding Awards, provided that
 - (c) no adjustments may be made to the advantage of any Selected Participant unless with the prior approval by ordinary resolution of Shareholders in general meeting of the Company;
 - (d) an adjustment will be made, to the extent practicable, in accordance with the following principles: (i) on the basis that each Selected Participant will have the same proportion of the Awarded Shares to which he/she would have been entitled immediately prior to the event leading to the requirement to perform the adjustment; and (ii) Shares will not be issued at less than its nominal value;
 - (e) In respect of any adjustment required in this paragraph, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the auditors that the adjustments satisfy the conditions set out in this paragraph (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial adviser or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Selected Participants. The costs of the Adjustment Certificate will be borne by the Company;
 - (f) an adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment and (ii) if necessary, the issue of the Adjustment Certificate; and
 - (g) the Company will within thirty Business Days of the announcement of the relevant corporate event leading to the requirement to perform the adjustment inform each Selected Participant of the adjustment.

7 SCHEME MANDATE LIMIT AND INDIVIDUAL LIMIT

- (A) Subject to Paragraphs 7(E), 7(F) and 7(G) and any waiver or ruling granted by the Hong Kong Stock Exchange, the total number of Shares which may be issued in respect of all options and awards to be granted under the Relevant Schemes shall not in aggregate exceed 10% of the issued share capital (excluding Treasury Shares (if any)) of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”).

- (B) Subject to Paragraphs 7(A), 7(E), 7(F) and 7(G), the total number of Shares which may be issued in respect of all options and awards to be granted to all service providers (as defined therein) under the Relevant Scheme(s) must not in aggregate exceed 7% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the Adoption Date (the “**Service Provider Sublimit**”).
- (C) The Company shall seek separate approval from the Shareholders in general meeting for the Service Provider Sublimit, provided that a circular has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable.
- (D) Subject to Paragraph 8(B), for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit under Paragraphs 7(A) and 7(B) in these Scheme Rules, options and awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilised.
- (E) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved by the Shareholders in general meeting, the maximum number of Shares that maybe issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares (excluding Treasury Shares (if any)) at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (F) The Scheme Mandate Limit and the Service Provider Sublimit maybe refreshed by the Shareholders in general meeting after three (3) years from the later date of (i) the date of Shareholders’ approval for the last refreshment and (ii) the date of adoption of this Scheme, provided that:
 - (a) the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders;
 - (b) the total number of Shares which may be issued in respect of all options and awards to be granted under all Relevant Scheme(s) under the Service Provider Sublimit as refreshed shall not exceed 7% of the total number of Shares in issue (excluding Treasury Shares (if any)) as at the date of approval of the refreshing of the Service Provider Sublimit by the Shareholders; and

- (c) a circular regarding the proposed refreshing of the Scheme Mandate Limit and the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the number of Awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit and the reason for the refreshment.
- (G) The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by the Shareholder in general meeting within three (3) years from the later date of (i) the date of Shareholders' approval for the last refreshment and (ii) the date of adoption of this Scheme, provided that:
 - (a) any controlling shareholders (as such term is defined under the Listing Rules) and their associates (or if there is no controlling shareholder (as such term is defined under the Listing Rules), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
 - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules;
 - (c) the Company must comply with the requirements set forth in Paragraph 7(F)(a), (b) and (c).

The requirements under subparagraph (a) and (b) of Paragraph 7(G) do not apply if the refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set forth in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (H) The Company may seek separate approval from the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit, provided that:
- (a) the Award will only be granted to Eligible Participants specifically identified by the Company before the relevant Shareholders' approval is sought;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the name of each Eligible Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Eligible Participant, and the purpose of granting Awards to the Eligible Participants with an explanation as to how the terms of the Awards serve such purpose; and
 - (c) the number and terms of the Awards to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.
- (I) No Award shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) would result in the Shares issued and to be issued in respect of all options and awards granted to the Relevant Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Relevant Schemes) in the twelve (12) months period up to and including the Grant Date representing in aggregate over 1% of the relevant class of Shares in issue (excluding Treasury Shares (if any)), unless:
- (a) such grant of Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his close associates (as such term is defined under the Listing Rules) (or his associates if the Relevant Eligible Participant is a connected person (as such term is defined under the Listing Rules)) has abstained from voting;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the identity of the Relevant Eligible Participant, the number and terms of the Awards to be granted (and those previously granted to such Relevant Eligible Participant in the said twelve (12) months period), the purpose of granting the Awards to the Relevant Eligible Participant and an explanation as to how the terms of the Awards serve such purpose; and
 - (c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

8 CANCELLATION OF AWARDED SHARES

- (A) The Board may at its sole and absolute discretion cancel any Award that has not vested or lapsed in certain circumstances, such as:
- (a) where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange;
 - (b) upon occurrence of any events triggering the clawback mechanism (and whether an event is to be regarded as triggering the clawback mechanism is subject to the sole determination of the Board) in relation to a Selected Participant, the Board will claw back such number of Awarded Shares granted (to the extent not already vested). The Board may (but is not obliged to) by notice in writing inform the relevant Selected Participant in respect of the cancellation. The Awarded Shares that are clawed back shall be regarded as cancelled and the Awarded Shares so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit); and
 - (c) any Awarded Shares granted but not vested may be cancelled if the Selected Participant so agrees.
- (B) No options or awards maybe granted to an Eligible Participant in place of his cancelled Awards unless there are available Scheme Mandate Limit and Service Provider Sublimit (if applicable) from time to time. For the purpose of this Paragraph 8(B), the Awards cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (C) The Company may recover or withhold any Awards granted to any Selected Participants in the event the Board determines that such Selected Participant has committed serious misconduct or breach its employment or service agreement or letter of appointment with the Company.

9 DISPUTES

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board whose decision shall be final and binding.

10 ALTERATION OF THE SCHEME

- (A) The Scheme may be amended in any respect by a resolution of the Board provided that any alteration to the terms and conditions of this Scheme that are of a material nature or any alteration to the authority of the Board to alter the terms of this Scheme or any alteration to the specific terms of this Scheme which relate to the matters set forth in Rule 17.03 of the Hong Kong Listing Rules to the advantage of Selected Participant or proposed Selected Participant must be approved by the Shareholders in general meeting (with the Selected Participant or proposed Selected Participant and their associates abstaining from voting). The Board's determination as to whether any proposed alteration to the terms and conditions of this Scheme is material shall be conclusive.
- (B) Any change to the terms of Awards granted to a Selected Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case maybe) if the initial grant of such Awards under this Scheme was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case maybe) except where the alterations take effect automatically under the existing terms of this Scheme.
- (C) Written notice of any amendment to the Scheme shall be given to all Selected Participants and the Trustee.
- (D) The provisions in this Scheme maybe amended by the Board to reflect any amendments to the Listing Rules made by the Hong Kong Stock Exchange after the Adoption Date to comply with the relevant provisions of the Listing Rules which this Scheme has been drafted to reflect the position as at the Adoption Date.

11 TERMINATION

- (A) The Scheme shall terminate on the earlier of:
 - (i) the tenth (10) anniversary date of the Adoption Date; and
 - (ii) such date of early termination by ordinary resolution of the Shareholders in general meeting of the Company or by the Board when it resolves that no further Awards shall be made.
- (B) Upon termination of the Scheme,
 - (i) no further grant of Awarded Shares may be made under the Scheme;
 - (ii) all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Participant;

- (iii) upon the expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the Trust Fund shall be sold by the Trustee within twenty-eight (28) Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine);
 - (iv) upon the expiration of the Trust Period all net proceeds of sale referred to in Paragraph 10(B)(iii) and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to Paragraph 10(B)(iii)).
- (C) For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

12 WITHHOLDING

- (A) The Company or any Subsidiary shall be entitled to withhold, and any Selected Participant shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Awarded Shares.
- (B) The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any Subsidiary receive advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such Subsidiary any tax deduction resulting from the occurrence of such event.
- (C) The Company or any Subsidiary may, by notice to the Selected Participant and subject to any rules as the Board may adopt, require that the Selected Participant pay at the time of the Award an amount estimated by the Company or any Subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Award.

13 MISCELLANEOUS

- (A) The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- (B) The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Paragraph 12(D), expenses, stamp duty, transaction levies and normal registration fees incurred in the transfer of Awarded Shares to Selected Participants on the relevant Vesting Date; PROVIDED THAT, in respect of any gift, assignment, conveyance or transfer of Shares to the Trust, any tax or expenses of such other nature (including without limitation the stamp duty) payable shall be borne by the relevant party gifting, assigning, conveying or transferring such Shares to the Trust. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, vesting or transfer of Shares.
- (C) In the event that any tax, duty, levy or social security contribution in any jurisdiction is payable by any Selected Participant in connection with the grant of any Awarded Shares or the vesting (or otherwise the transfer) of any Awarded Shares, such Selected Participant shall be responsible for the prompt payment of such tax, duty, levy or social security contribution (as the case may be) and shall indemnify the Company and the Trustee against any loss, damage, liability, costs and expenses arising from or in connection with any default or delay in the payment thereof.
- (D) Any notice or other communication in connection with the Scheme from any person may be given by sending the same by (a) prepaid post or by personal delivery to, in the case of the Company or Trustee, its head office and principal place of business in Hong Kong or such other address as notified to the sender from time to time, and in the case of an Eligible Participant, his address as notified to the sender from time to time, (b) email to the designated email address of the recipient, (c) fax to the designated fax number of the recipient, or (d) data transmission through ESOP System (if available) to the account of the recipient (provided that communication services through ESOP System are made available for the purpose of the Scheme). For the avoidance of doubt, the Company may send copies of Grant Instruments or Vesting Instruments to the Trustee via ESOP System (if available). Any notice or other communication served shall be deemed to have been served (a) if by post, 24 hours after the same was put in the post, (b) if by email, when the relevant receipt of such email being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such email, (c) if by fax, when the relevant delivery receipt is received by the sender, or (d) if via ESOP System (if available), when data transmission is completed, provided that no delivery failure notification is received by the sender within 24 hours of completion of the data transmission.
- (E) The Company, the Board, the Trust and the Trustee shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in the Scheme as a Selected Participant or for any tax, duty, expenses, fees or any other liability to which he may become subject as a result of his participation in the Scheme.

- (F) Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion shall not affect the enforceability of the rules of the Scheme as remain not so deleted.
- (G) For the avoidance of doubt, a contribution of Shares by way of gift, assignment, conveyance of transfer by any party to the Trust does not confer on such party any power, right or interest in respect of the Trust or any part of the Trust Fund; PROVIDED THAT should any such party be a Selected Participant, any power, right or interest conferred on such party in the capacity of a Selected Participant shall be unaffected.
- (H) A Selected Participant shall pay all tax and discharge all liabilities to which he may become subject or liable as a result or consequence of his participation in this Scheme, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Interests to and in him, or any of the foregoing.

14 GOVERNING LAW

- (A) The Scheme shall operate subject to the Articles and any applicable law and regulations to which the Company is subject.
- (B) The Scheme is governed by and shall be construed in accordance with the laws of Hong Kong.
- (C) Hong Kong courts shall be the exclusive venue for resolving dispute relating to or arising from the Scheme.

15 DISCLOSURE RIGHTS

- (A) Notwithstanding anything to the contrary in this Scheme, the Trustee shall be entitled to disclose to any person such documents and information relating to this Trust for any one or more of the following purposes:
 - (a) where the disclosure is required by applicable law or contract or by an order from a court of competent jurisdiction;
 - (b) where the disclosure is required by the fiscal authorities of any government of any jurisdiction in respect of any duties or taxes in connection with the Trust Fund, this Trust, any company the shares of which are hold directly or indirectly by the Trustee under this Trust, any Selected Participant, the Company, the Board or any other person interested in this Trust;
 - (c) where the disclosure is required under any legislation regulating transactions in securities and any rules of any stock exchange or regulated market or authority in any place in which the securities or other assets comprising the Trust Fund (or part of it, directly or indirectly) is situated;

- (d) where the disclosure is, in the opinion of the Trustee, necessary or appropriate to comply with (i) any reporting obligation or requirement to any governmental authorities including taxation authorities, financial services authorities and other regulatory authorities, in respect of this Trust, pursuant to the proper law of this Trust; or (ii) the relevant laws and legislation of any jurisdiction to which any of the Trustee, this Trust, the assets comprising the Trust Fund, any Selected Participant, the Company, the Board or any other person interested in this Trust is connected;
 - (e) where the disclosure is, in the opinion of the Trustee, necessary or appropriate for the administration of this Trust (including without limitation, disclosure to any party (including an affiliate of the Trustee) to whom the Trustee has delegated directly or indirectly any of its powers, duties, discretions or functions or any party holding power or office in the Trust or any company the shares of which directly or indirectly comprised in the Trust Fund to the extent necessary or appropriate to discharge their, his or her duties and obligations);
 - (f) where the disclosure is to any person who is engaged by the Trustee or any affiliates of the Trustee to perform any outsourced function in relation to this Trust; or
 - (g) where the disclosure is to any bank or financial institution for the purposes of opening or maintaining any account.
- (B) Without limit to the generality of the foregoing,
- (a) the Company has authorised the Trustee to make such disclosures to the Trustee's affiliates of such documents and information relating to this Trust as the Trustee may consider necessary or appropriate for the administration of this Trust including but not limited to any delegation of part of the Trustee's powers and discretions to such affiliates (if such delegation is permitted under this Trust Deed);
 - (b) if the Company (including the Board) provides the Trustee with Personal Data of any individual, the Company undertakes, represents and warrants to the Trustee that, to the extent required by law in relation to the Trustee's collection, processing, use, transfer and disclosure of Personal Data, the Company has obtained such individual's consent for, and consents on behalf of such individual to the collection, processing, use, transfer and disclosure of his Personal Data by the Trustee in accordance with the data policy of the Trustee and that such Personal Data provided is true, accurate and complete;
 - (c) Any consent given by the Company (including the Board) or any individual in relation to Personal Data shall survive death, incapacity, dissolution, bankruptcy or insolvency of the Company or any such individual and the termination of this Trust.

- (C) Without prejudice to the generality of the provisions in Paragraphs 14(A) and 14(B) and otherwise Notwithstanding anything to the contrary contained in the Scheme, the Trustee shall, in furtherance of the Trustee's obligation under or pursuant to FATCA, IRO or CRS or any analogous law, regulation, rule, ordinance or treaty (collectively "**Compliance Laws**") and such other obligations and duties as required by any taxation or government authorities anywhere in the world howsoever and wheresoever arising and whether legally enforceable or not (collectively "**Compliance Obligations**") as the Trustee may in its absolute discretion deem necessary or appropriate, have the power to:
- (i) keep information relating to the identity, citizenship and tax residence and status and such other necessary information (as required under the Compliance Laws or by any taxation or government authorities) of the Company, the Eligible Participants or other Controlling Person (as such term is defined under the relevant Compliance Laws, the "**Controlling Person**") for the purpose of compliance with such Compliance Obligations; and
 - (ii) disclose or report such information referred to in paragraph (a) above to any relevant government or tax authority or third party financial institution in any jurisdiction for any purpose as such government or tax authority or third party financial institution may deem appropriate in the circumstances at their discretion.
- (D) Notwithstanding anything to the contrary contained in the Scheme, in the absence of willful misconduct, gross negligence or fraud, the Trustee shall not be liable for any penalty or withholding imposed under the Compliance Laws and all local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, treaty, agreement with or demands or request by such authorities resulting from the reporting of incomplete or incorrect information, or the failure to report such information and the Company shall indemnify the Trustee on a full indemnity basis against any such penalty or withholding.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Natural Beauty Bio-Technology Limited 自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00157)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise specified, terms defined in this notice shall have the same meanings in the circular of the Company dated 1 December 2025 (the “**Circular**”). Details regarding the resolutions in this notice are set out in the Circular.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Natural Beauty Bio-Technology Limited (the “**Company**”) will be held at Conference Room, 8/F, 368 Section 1 Fuxing South Road, Da’an District, Taipei, Taiwan on Friday, 19 December 2025 at 4:30 p.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. “To approve and adopt the 2025 share option scheme of the Company (“**2025 Share Option Scheme**”) as described in the Circular, a copy of which is included in the Appendix I to the Circular, and to authorise the Directors to grant options thereunder and (subject to the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in the shares of the Company to be allotted) to allot and issue shares of the Company (including any sale or transfer of treasury shares of the Company out of treasury) pursuant to the 2025 Share Option Scheme and take all such steps as may be necessary or desirable to implement the 2025 Share Option Scheme.”
2. “To approve and adopt the amended and restated share award scheme of the Company (“**Amended Share Scheme II**”) as described in the Circular, a copy of which is included in the Appendix II to the Circular, and to authorise the Directors to grant awards thereunder and (subject to the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in the shares of the Company to be allotted) to allot and issue shares of the Company (including any sale or transfer of treasury shares of the Company out of treasury) pursuant to the Amended Share Scheme II and take all such steps as may be necessary or desirable to implement the Amended Share Scheme II.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. “**THAT** conditional upon resolution no. 1 and resolution no. 2 above being passed, the Scheme Mandate Limit as defined in the Circular (being 10% of the total number of Shares in issue as at the date of adoption of the New Share Schemes) be and is hereby approved and adopted and that any Director be and is hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as he/she may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
4. “**THAT** conditional upon resolution no. 1 and resolution no. 2 above being passed, the Service Provider Sublimit (as defined in the New Share Schemes) on the total number of Shares that may be issued in respect of all share options or share awards to be granted to Service Provider Participants (as defined in the New Share Schemes) under the New Share Schemes or all other share option schemes or share award schemes of the Company (i.e. 7% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

By Order of the Board
Natural Beauty Bio-Technology Limited
Lei Chien
Chairperson

Hong Kong, 1 December 2025

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business

in Hong Kong:
Room 1916, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or (in respect of a member who is the holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A proxy form of the EGM is enclosed. If the appointer is a corporation, the proxy form must be made under its seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours (i.e., 4:30 p.m. on Wednesday, 17 December 2025) before the time appointed for holding the EGM or any adjournment thereof. Delivery of an instrument appointing a proxy shall not preclude a shareholder from subsequently attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 16 December 2025 to Friday, 19 December 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for Registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 15 December 2025.
6. All voting by the members at the EGM (or at any adjournment) shall be conducted by way of poll.
7. As at the date of this notice, the executive Directors are Dr. Lei Chien, Mr. Lin Chia-Wei, Ms. Lin Yen-Ling, the non-executive Directors are Ms. Lin Shu-Hua and Mr. Chen Shou-Huang and the independent non- executive Directors are Mr. Chen Ruey-Long, Mr. Lin Tsalm-Hsiang and Mr. Yang Shih-Chien.