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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in C.banner International Holdings 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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C.banner International Holdings Limited
千 百 度 國 際 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

**(1) PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER
SPECIFIC MANDATE TO THE SUBSCRIBERS;
(2) PROPOSED ADOPTION OF SHARE OPTION SCHEME;
AND
(3) NOTICE OF SGM**

Capitalized terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A notice convening the SGM to be held at 62/F, Nanjing Center, No.1 South Zhongshan Road, Nanjing, China on Thursday, January 15, 2026 at 3 p.m. is set out on pages 37 to 40 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment or postponement thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be revoked by operation of law.

December 24, 2025

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DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme was approved and adopted by the Shareholders
“Announcement”	the announcement of the Company dated October 30, 2025 in respect of, among others, the proposed issuance of the Warrants under the Specific Mandate
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors of the Company for the time being
“Board”	the board of Directors
“Business Day”	a day on which banks are open for general business in Hong Kong
“Bye-Laws”	the amended and restated bye-laws in force from time to time of the Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	C.banner International Holdings Limited, a company incorporated in Bermuda with limited liability with its shares listed on the Main Board of the Stock Exchange (stock code: 1028)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	eligible persons under the Share Option Scheme, which are the directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with these companies), and does not include any independent non-executive directors. The Board has absolute discretion to determine whether to make an Offer to any Eligible Participant
“Grant Date”	in respect of an Option, the Business Day on which the Board resolves to make an Offer, or the grant of an Option to an Eligible Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Option Scheme

DEFINITIONS

“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the Personal Representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company and any of its connected persons or their respective associates
“Individual Limit”	has the meaning ascribed to it in paragraph 5 of the Appendix to this circular
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	December 19, 2025, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	March 31, 2026, or other later date upon mutual agreement of the Company and the Subscribers in writing
“Offer”	the offer of the grant of an Option made in accordance with the Share Option Scheme
“Option(s)”	an option to subscribe for Shares pursuant to the Share Option Scheme and for the time being subsisting
“Option Period”	the period within which an Option may be exercised by the Grantee under the Share Option Scheme, as described in paragraph 12 of the Appendix to this circular
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 5 of the Appendix to this circular
“SGM”	the special general meeting of the Company to be convened and held on Thursday, January 15, 2026 for the Shareholders to consider and, if thought fit, approve, the proposed issuance of the Warrants contemplated under the Subscription Agreements (including the grant of the Specific Mandate) and the proposed adoption of the Share Option Scheme
“Share(s)”	ordinary share(s) of US\$0.015 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme proposed to be approved and adopted by the Shareholders at the SGM, a summary of the principal terms of which is set out in Appendix to this circular
“Specific Mandate”	the special mandate to be sought from the Shareholders at the SGM for the Company to issue and allot the Warrant Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	nine (9) subscribers of the Subscriptions Shares and the Warrants under the Subscription Agreements
“Subscription”	the proposed subscription of the Subscription Shares and the Warrants by the Subscribers on the terms and subject to the conditions set out in the Subscription Agreements
“Subscription Agreement(s)”	the share and warrant subscription agreements dated October 29, 2025 entered into between the Company and each of the Subscribers respectively in respect of the Subscription, on substantially similar terms, details of which are set out in the section headed “The Subscription Agreements” of the Announcement

DEFINITIONS

“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Share Option Scheme
“Subscription Shares”	an aggregate of 415,400,000 new Shares subscribed for by the Subscribers under the Subscription Agreements, or one or some of such Shares as the context may so require
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Treasury Share(s)”	has the meaning ascribed to the term “treasury shares” under the Listing Rules as applied to the Shares, and for the purposes of the Share Option Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares
“US\$”	United States dollar(s), the lawful currency of the United States
“Vesting Period”	has the meaning ascribed to it in paragraph 8 of the Appendix to this circular
“Warrants”	an aggregate of 474,500,000 warrants to be issued to the Subscribers by the Company under the Subscription Agreements, each entitling the holder thereof to subscribe for one (1) new Share to be issued and allotted by the Company
“Warrant Shares”	an aggregate of 474,500,000 Shares to be issued to the holders of the Warrants upon exercise of the subscription rights attached to the Warrants
“%”	per cent.

LETTER FROM THE BOARD

C.banner International Holdings Limited 千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

Executive Directors:

Mr. Chen Yixi (*Chairman*)
Mr. Yuan Zhenhua (*President*)
Mr. Wu Weiming
Mr. Zhang Baojun (*Chief Financial Officer*)

Non-executive Directors:

Ms. Fan Yuanyuan
Ms. Zhang Yichen

Independent Non-Executive Directors:

Mr. Kwong Wai Sun Wilson
Mr. Xu Chengming
Mr. Zheng Hongliang

Registered Office:

Victoria Place
5th Floor
31 Victoria Street
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Bermuda

*Principal place of business
in Hong Kong:*

Suite 1503, Level 15
Admiralty Centre Tower 1
18 Harcourt Road
Admiralty, Hong Kong

December 24, 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER
SPECIFIC MANDATE TO THE SUBSCRIBERS;
(2) PROPOSED ADOPTION OF SHARE OPTION SCHEME;
AND
(3) NOTICE OF SGM**

INTRODUCTION

Reference is made to the announcements of the Company dated October 30, 2025 and November 11, 2025. The purpose of this circular is to provide Shareholders with information and to seek your approval, inter alia, on (i) the proposed issuance of the Warrants and (ii) the proposed adoption of the Share Option Scheme. A notice of the SGM containing the resolutions to be proposed at the SGM is set out in this circular.

LETTER FROM THE BOARD

(1) PROPOSED ISSUANCE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE TO THE SUBSCRIBERS

As disclosed in the Announcement, on October 29, 2025, the Company entered into nine (9) Subscription Agreements with nine (9) Subscribers, pursuant to which the Subscribers have conditionally agreed to (on their own behalf or through their designated entity) subscribe for and the Company has conditionally agreed to allot and issue, among others, an aggregate of 474,500,000 Warrants at the issue price of HK\$0.036 each.

The Subscription Agreements

The Subscription Agreements are on substantially similar terms. The principal terms of the Subscription Agreements in relation to the subscription of the Warrants are set out as follows:

Date

October 29, 2025

Parties

- (1) the Company, as the issuer; and
- (2) each of the Subscribers respectively, as the subscriber.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers and their ultimate beneficial owners (if applicable) are Independent Third Parties.

Principal terms of the Warrants

Number of Warrants and Warrant Shares

A total of 474,500,000 Warrants will be conditionally issued to the Subscribers. The 474,500,000 Warrants will be allocated pro rata among the Subscribers corresponding to the approximate respective portion of Subscription Shares issued and allotted to them. Each Warrant carries the right to subscribe for one (1) Warrant Share at the initial exercise price of HK\$0.28 each (subject to adjustment as illustrated in the section headed "Adjustment to the Exercise Price of the Warrants").

As of the Latest Practicable Date, the Company has a total of 2,492,400,000 Shares in issue. If the subscription rights attached to the Warrants are exercised in full, the Company will issue such number of new Shares which will represent (i) approximately 19.04% of the total issued Shares of the Company as of the Latest Practicable Date and (ii) approximately 15.99% of the total issued Shares of the Company as enlarged by the issue of the Warrant Shares.

LETTER FROM THE BOARD

Status

The Warrants will be issued in registered form and constituted by way of deed poll to be executed by the Company. The Warrants will rank *pari passu* in all respects among themselves.

Issue Price and Exercise Price of the Warrants

The issue price of the Warrants is HK\$0.036 each, which was arrived at after arm's length negotiations between the Company and the Subscribers with reference to (i) the recent trading price of the Shares (for the last 30 trading days immediately prior to the date of the Subscription Agreements); (ii) the current market sentiment; (iii) the reasons for and benefits of the issue of the Warrants set out in the paragraph headed "Reasons for and benefits of the Subscription Agreements" below; and (iv) the fair value of the Warrants as assessed by an independent valuer, Masterpiece Valuation Advisory Limited, which is calculated at HK\$0.036 each by using the Binomial Option-Pricing Model.

Under the Binomial Option-Pricing Model, principal assumptions adopted include:

- there will be no major changes in the existing political, legal, fiscal and economic conditions in the countries that the Company is operating;
- there will be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the businesses of the Company and the fair values of the underlying Shares;
- there are no subsequent material changes in the relevant corporate tax rates, interest rates, long-term borrowing rates, and exchange rates from that currently prevailing in the countries that the Company is operating which may significantly impact its businesses; and
- there will be no material changes as to the management and business strategies and operational structure, which will continue to be operated under the current existing and expected business model.

Under the Binomial Option-Pricing Model, the fair value of the Warrants is calculated through three steps: firstly, construct the Binomial Price Tree of underlying shares; secondly, calculate the payoff of the Warrants at each step upon exercise; and thirdly, calculate the value of Warrants by backward induction method. Key parameters adopted in this model include:

- Time to expiration (T): the life of the Warrants, being two years;
- Exercise price (X): the pre-determined exercise price to purchase the underlying stock, being the initial exercise price of HK\$0.28 per Share;

LETTER FROM THE BOARD

- Risk-free interest rate (r): the theoretical rate of return of an investment with no risk of financial loss for a time period corresponding to the life of the Warrants, which is determined at 2.49% based on Hong Kong Government Bond Yield with a maturity life equal to the expected warrant life;
- Volatility (σ): the volatility of the Company, which was derived by the historical daily stock prices for a period with length commensurate to the maturity life of the Warrants. It is determined at 37.87% based on the average annualized standard deviation of the historical stock prices of the Company for a period with length commensurate to expected warrant life.

The initial exercise price of the subscription rights attached to the Warrants is HK\$0.28 each (subject to adjustment as illustrated in the section headed “Adjustment to the Exercise Price of the Warrants”) and represents:

- (a) a premium of approximately 13.82% over the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on October 28, 2025, being the last trading day immediately prior to the date of the Subscription Agreements; and
- (b) a premium of approximately 9.80% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The initial exercise price of HK\$0.28 per Share was arrived at after arm’s length negotiations between the Company and the Subscribers with reference to (i) the recent trading price of the Shares (for the last 30 trading days immediately prior to the date of the Subscription Agreements); (ii) the current market sentiment; and (iii) the reasons for and benefits of the issue of the Warrants set out in the paragraph headed “Reasons for and benefits of the Subscription Agreements” below.

The aggregate of the issue price and the exercise price of the subscription rights attached to the Warrants is HK\$0.316 each and represents:

- (a) a premium of approximately 28.46% over the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on October 28, 2025, being the last trading day immediately prior to the date of the Subscription Agreements; and
- (b) a premium of approximately 23.92% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The aggregate of the issue price and the exercise price of the Warrants amounts to HK\$149,942,000, which was arrived at after arm’s length negotiations between the Company and the Subscribers and was determined with reference to the subscription price of the Subscription Shares.

LETTER FROM THE BOARD

Subscription Period and Expiry Date of the Warrants

The subscription rights attached to the Warrants may be exercised at any time during a period of two (2) years commencing from the date of issuance.

The expiry date of the Warrants will be the second anniversary of the date of the issuance of the Warrants. As the proposed issuance of the Warrants is still subject to Shareholders' approval at the SGM and its conditions precedent being fulfilled, the specific expiry date of the Warrants is not yet determined.

Transferability of the Warrants

The Warrants may only be transferred to any person with prior consent of the Board and subject to the compliance of applicable laws, the Listing Rules, or the Bye-Laws of the Company.

Rights of the Holder of the Warrants on Liquidation of the Company

If (i) the subscription period of the Warrants has not expired; (ii) any subscription rights of the Warrants remain unexercised; and (iii) an effective resolution for the winding up of the Company is passed, which is preceded by the making of a statutory declaration of solvency, each holder of the Warrants with unexercised subscription rights of the Warrants shall, for the purposes of ascertaining his/her/its rights in the winding up, be treated as if he/she/it had, immediately before the passing of the resolution, fully exercised his/her/its outstanding subscription rights of the Warrants, and shall be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Shares such sum as he/she/it would have received had he/she/it been the holder of all such Shares to which he/she/it would have been entitled by virtue of that exercise after deducting a sum equal to the sum of exercise price which would have been payable for the Warrant Shares.

Adjustment to the Exercise Price of the Warrants

The exercise price of the Warrants is subject to adjustments if any of the following occurs, with effect from the date of the relevant event or, if earlier, the record date for the event (an “**Adjustment**”):

- (a) a subdivision, consolidation or reclassification of the Shares;
- (b) a reduction of capital (of whatever nature, but excluding a cancellation of capital that is lost or not represented by available assets), or any other reduction in the number of Shares in issue from time to time;
- (c) an issue of Shares or other securities convertible into Shares by way of dividend or distribution;
- (d) an issue of Shares by way of capitalization of profits or reserves (including share premium account and any capital redemption reserve); or

LETTER FROM THE BOARD

- (e) a consolidation, amalgamation or merger of the Company with or into another entity (other than a consolidation, amalgamation or merger following which the Company is the surviving entity and which does not result in any reclassification of, or change in, the Shares),

so that, after such Adjustment:

- (i) the number of Warrant Shares corresponding to the Warrants for which the outstanding subscription rights would then be capable of being exercised carry as nearly as possible (and in any event not less than) the same proportion of the voting rights attached to the fully diluted share capital of the Company and the same entitlement to participate in the profits and assets of the Company (including on liquidation) as if there had been no such event giving rise to the Adjustment; and
- (ii) the aggregate price payable for all Warrant Shares subject to outstanding subscription rights attached to the Warrants shall equal the same aggregate price as would be payable for the number of Warrant Shares of the Warrants, subject to outstanding subscription rights attached to the Warrants, immediately before the occurrence of the event giving rise to the Adjustment.

The Company shall give each holder of the Warrants written notice of any event described in the paragraph above, together with details of relevant Adjustment within 30 Business Days after occurrence of such event.

In respect of any disagreement of Adjustment between the Company and the holders of the Warrants, the Company shall refer the matter to an independent reporting accountant for determination. The independent reporting accountant shall act as expert and not as arbitrator and its decision shall (in the absence of manifest error) be final and binding on the Company and all holders of the Warrants.

Specific Mandate

The Warrant Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

Ranking

The Warrant Shares will rank *pari passu* in all respects with the Shares in issue as at the respective dates of their allotment and issue.

Listing

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares.

No application will be made by the Company for the listing of, and permission to deal in, the Warrants on the Stock Exchange or any other stock exchange.

LETTER FROM THE BOARD

Conditions precedent to the issue of the Warrants

Completion of the issue of the Warrants is subject to fulfilment of the following conditions (for the avoidance of doubt, these conditions cannot be waived by either the Company or the Subscribers):

- (a) the completion of the issue and subscription of the Subscription Shares in accordance with the respective Subscription Agreement;
- (b) the approval by the Shareholders in relation to the subscription of the Warrants pursuant to the respective Subscription Agreement;
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the respective Warrant Shares (and such approval and permission remaining in full force and effect); and
- (d) the issue of the Warrants not resulting in the Company being in breach of Rule 15.02 of the Listing Rules immediately upon such issue.

In the event that the above conditions are not fulfilled by the Long Stop Date, all rights, obligations and liabilities of the Company and the respective Subscriber will cease and determine and neither the Company nor the respective Subscriber will have any claim against each other save for any antecedent breaches. As disclosed in the announcement of the Company dated December 11, 2025, the issue and subscription of the Subscription Shares has been completed on December 11, 2025. Therefore, as of the date of this circular, conditions (a) and (d) have been fulfilled while conditions (b) and (c) are yet to be fulfilled.

Completion

Completion of the issue of the Warrants shall take place within 4 weeks after the date upon which all of the conditions thereof have been fulfilled or such other time or date as agreed by the Company and the respective Subscriber.

Reasons for and benefits of the Subscription Agreements

Although the consumer market has maintained a steady growth overall, domestic effective demand remains insufficient, residents' consumption capacity and willingness to spend need to be improved, and sales of some commodities and service-related consumption are relatively sluggish. Meanwhile, the Company has been investing, and is expected to continue to actively invest, in various initiatives aimed at enhancing its competitiveness and strengthening its core business, including optimizing its retail network, increasing distributions channels efficiency, promoting digital transformation and upgrade, exploring the use of AI, and exploring opportunities to transform and upgrade the Company's business to strive for sustainable development of the Group.

LETTER FROM THE BOARD

As such, the Company has been considering financing opportunities to bring in strategic investors with AI technology industrial experience, provide capital for future business development initiatives and enhance its overall financial resilience. The issuance of the Subscription Shares and the Warrants to the Subscribers is a strategic decision by the Company aimed at incentivizing the Subscribers to assist the Company in employing AI technology to upgrade the Group's business via their respective industrial experience. Such investments are expected to provide capital for the Company's development and empower the Company to seize future investment or cooperation opportunity in the industry especially in respect of AI empowered technologies, which will enable the Company to upgrade its business by exploring synergy and leveraging resources.

The development and use of AI technology could enable the Company to upgrade its business in various dimensions. As disclosed in the Company's 2025 interim report, the Company is in the process of promoting the construction of intelligent training, intelligent customer service and intelligent supply chain systems; using AI technology to optimize market planning and improve operational efficiency; applying AI to core systems such as store management, membership services, and cloud warehouse logistics to achieve inventory sharing and rapid turnover; using AI to accelerate the product development process; and improving the response speed from design to market, and introducing the AI design platform.

The Board has considered the following factors in entering into of the Subscription Agreement:

The strategic value in bringing in the Subscribers – The strategic value (including AI technology industrial experience, strategic insight and business network) brought in by the Subscribers is vital to the Group's proposed development and application of AI technology, which could not be achieved by purely utilizing its existing cash. The Subscribers and their ultimate beneficial owners include notable figures with extensive experience in AI technology companies. As such, the Company believes that the Subscribers are well positioned to assist the Company in employing AI technology to upgrade the Group's business via their respective industrial experience.

Debt financing is costly – The Company also considered other fundraising alternatives, such as debt financing and other form of equity financing. As for debt financing, the Board considers that the prevailing interest rate is at a relatively high point and debt financing will incur interest burden to the Group adversely affecting the profitability of the Company. As for other form of equity financing such as rights issue and open offer, it would require the Company to undergo a comparatively lengthy process in order to identify suitable underwriter and prepare the requisite compliance and legal documentation such as underwriting agreement and prospectus. Moreover, the abovementioned debt financing and other form of equity financing would not bring in strategic investors who could assist the Company in employing AI technology to upgrade the Group's business via their respective industrial experience.

Subscription of Shares and Warrants are part and partial of the same deal – The issuance of both Shares and Warrants under the Subscription Agreements is a whole deal reached between the Company and the Subscribers based on arm's length negotiations.

LETTER FROM THE BOARD

The issuance of Shares under the Subscription Agreements pursuant to general mandate can bring in the strategic investors (and therefore enlarge the Company's shareholder base) with inflow of funds within a short period of time.

The issuance of Warrants under the Subscription Agreements would give Subscribers opportunities to increase their shareholding interest in the Company and incentivize them to assist the Company in employing AI technology to upgrade the Group's business and increase the intrinsic value of the Shares. As such, the issuance of Warrants could stimulate greater commitment by the Subscribers to the Company and thus align their long term interest with the interest of the Company and its Shareholders as a whole.

Subscription of Warrants is necessary – In this connection and in addition to the above, the Board has taken into account the following factors:

- **The exercise price of the Warrant was set at a premium over the prevailing Share trading price**, while consistent with market practice, subscription price of New Shares is at a discount to the prevailing Share trading price;
- **The proceeds from the subscription of Warrants are expected to contribute to AI development.** The aggregate estimate net proceeds from the issuance of the Warrants and the Warrant Shares (assuming full exercise of subscription rights attached to the Warrants) will amount to approximately HK\$147 million, which will primarily be used towards exploring the development and application of AI technology in optimizing various aspects of the Group's business operations. For more details on the proposed use of proceeds from subscription of Warrants, please refer to the section headed "Use of proceeds".
- **Existing cash and bank balances** – Despite that the Company had cash and bank balances of approximately RMB483 million as at June 30, 2025 as disclosed in the Company's 2025 interim report, the Board is of the view that
 - o It is important to maintain sufficient cash reserves to be prepared for any unforeseeable challenged and risks given the current macro-economic environment.
 - o This is more the case in view of the current liability of RMB292 million.
 - o As such the Board takes the view that it is more desirable and prudent to raise addition fund from the proposed issuance of Shares and Warrants under the Subscription Agreements which could bring in strategic value and enhance the Group's overall financial resilience.

LETTER FROM THE BOARD

Combination of Shares and Warrants suit best to the Company – The Company also considered equity financing by issuance of (a) purely new Shares or (b) purely Warrants. However, under circumstance (a), given the low liquidity of the Shares, the subscription price of new Shares would have to be set at a relatively deep discount to the prevailing market price to attract potential investors, as it requires immediate injection of a larger amount of capital, comparing to the combination of issuance of Shares and Warrants under the Subscription Agreements. Under circumstance (b), the Company would only receive a relatively small amount of capital injection upfront and it would cause greater uncertainty to the Company as there would be a larger number of Warrants which the Subscribers may or may not exercise. Based on the above, the Boards considers the combination of issuance of Shares and Warrants under the Subscription Agreements is most suitable to the Group's strategic goals.

Taking into account of the above, the Directors are of the view that the terms of the Subscription Agreements are fair and reasonable and the proposed issuance of Warrants contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The estimated gross and net proceeds (after deducting other related expenses and professional fees) to be received by the Company from the issue of the Warrants are expected to be approximately HK\$17 million and HK\$16 million respectively, representing a net issue price of approximately HK\$0.034 per Warrant.

The estimate net proceeds from the issuance of (1) the Subscription Shares (calculated at the subscription price of HK\$0.205 each), (2) the Warrants (calculated at the issue price of HK\$0.036 each) and (3) the Warrant Shares (calculated at the exercise price of HK\$0.28 each) are approximately HK\$80 million, HK\$16 million and HK\$131 million, respectively.

The aggregate estimate net proceeds from the issuance of the Warrants and the Warrant Shares (assuming full exercise of subscription rights attached to the Warrants) are approximately HK\$147 million. 100% of such proceeds will be used toward the general working capital of the Company, among which the Company intends to apply:

- (a) 30% to exploring the development and application of AI technology in optimizing the Group's supply chain management, product design, development and manufacturing. The Company plans to develop and employ AI-empowered solutions such as AI design platform and AI supply chain management to accelerate the product design and development process, improve its responsiveness to market trend and conversion efficiency of trendy elements into products, reduce the costs of traditional prototyping, and realize intelligent inventory management and rapid turnover;
- (b) 30% to exploring the development and application of AI technology in improving the Group's sales and marketing efficiency. The Company plans to develop and employ AI technology such as AI customer service, AI marketing and AI generated contents to optimize customer service experience, formulate market planning strategies and generate marketing materials;

LETTER FROM THE BOARD

- (c) 20% to recruiting AI talents and exploring future opportunities. As the Group is traditionally a retailer and wholesaler of women's footwear, most of the Group's employees are frontline staff in the manufacturing, sales and marketing departments, with limited education background and technology experience. Although the Group has been actively implementing digital transformation and upgrading plans with AI-empowered assistance in recent years, the Group is still in short of high-calibre talents with quality academic education and solid technology background. The Company plans to recruit more talents (especially with familiarity in cutting-edge AI technology and application) who could achieve an organic combination of their AI technology strength with the industrial insights of the Group's existing management, so as to help the Group develop and employ AI technology and AI-empowered solutions as set out in (a) and (b) above, that are most suitable to the Group's situation; and
- (d) 20% to general corporate use, such as distribution and selling expenses and administrative expenses.

Listing Rules implications

Pursuant to Rule 13.36(7) of the Listing Rules, the Company may not issue warrants to subscribe for (i) any new Shares of the Company or (ii) any securities convertible into new Shares of the Company, for cash consideration pursuant to a general mandate given under Rule 13.36(2)(b) of the Listing Rules. Therefore, the Warrants and the Warrant Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

The issue of Warrants is in compliance with Rule 15.02(1) of the Listing Rules. Pursuant to Rule 15.02(1) of the Listing Rules, the shares to be issued upon exercise of the warrants must not, when aggregated with all shares which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, exceed 20% of the issued share capital of the Company (excluding treasury shares) at the time such warrants are issued.

The issue of the 415,400,000 Subscription Shares has been completed on December 11, 2025. As of the Latest Practicable Date, the Company has a total of 2,492,400,000 Shares in issue. For the avoidance of doubt, there were no Treasury Shares as at the Latest Practicable Date. If the subscription rights attached to the Warrants are exercised in full, the Company will issue such number of new Shares which will represent approximately 19.04% of the total issued Shares of the Company (excluding Treasury Shares). Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1).

LETTER FROM THE BOARD

Effects on shareholding structure of the Company

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of full exercise of subscription rights attached to the Warrants (assuming there is no other change in the shareholding structure of the Company) are set out as below:

Shareholders	(i) As at the Latest Practicable Date		(ii) Upon completion of the full exercise of subscription rights attached to the Warrants	
	Shares	%	Shares	%
Non-public:				
Ms. Leung Lok Hang (through Port Bliss Holdings Limited) ^(Note 1)	495,355,436	19.88	495,355,436	16.70
Mr. Chen Yixi (through Hongguo International Group Limited) ^(Note 2)	280,000,000	11.23	280,000,000	9.44
Public:				
Subscribers ^(Note 3)	415,400,000	16.67	889,900,000	29.99
Other public Shareholders	<u>1,301,644,564</u>	<u>52.22</u>	<u>1,301,644,564</u>	<u>43.87</u>
Total	<u>2,492,400,000</u>	<u>100</u>	<u>2,966,900,000</u>	<u>100</u>

Notes:

1. Port Bliss Holdings Limited is directly and wholly owned by Ms. Leung Lok Hang.
2. Mr. Chen Yixi is an executive Director and the chairman of the Board. Hongguo International Group Limited is directly and wholly owned by Mr. Chen Yixi.
3. Immediately upon the completion of the full exercise of the subscription rights attached to the Warrants, none of the Subscribers will become a substantial shareholder; and Shares held by each of the Subscribers will be considered as being held by the public.

Based on the information available to the Company and to the best knowledge of the Directors, the Company will maintain sufficient public float following the issuance of the Warrant Shares.

LETTER FROM THE BOARD

Information about parties to the Subscription Agreements

The Group

The Company is the holding company of the Group. The Group is a leading international integrated retailer and wholesaler of mid-to-premium women's formal and casual footwear in the PRC.

The Subscribers

The Subscribers and/or their ultimate beneficial owners (if applicable) are more than six corporate and individual professional investors with extensive experience in AI technology companies and equity investment, including founders, directors and/or senior management of various AI technology companies and investment companies.

Equity fund raising activity in the past twelve months

Save for the transaction contemplated under the Subscription Agreements, there has been no equity fund raising activity conducted by the Company in the past 12 months immediately preceding the Latest Practicable Date.

(2) PROPOSED ADOPTION OF SHARE OPTION SCHEME

On August 31, 2015, the Company adopted a share award scheme, which has expired on August 31, 2025. As such, the Company has no subsisting share scheme which was valid and effective as at the Latest Practicable Date. As at the Latest Practicable Date, there was no granted but unvested share awards under the previous share award scheme and no further share award may be granted after its expiry on August 31, 2025. The Board proposes the adoption of the Share Option Scheme, which will be valid for a period of ten (10) years from the Adoption Date.

The purposes of the Share Option Scheme are to reward Eligible Participants who have contributed to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. By granting Options to the Eligible Participants, it recognizes the contribution or future contribution of Eligible Participants to the Group and helps the Group to foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders, thereby helping the Group to attract, recruit, retain and motivate high-calibre Eligible Participants that are in line with its performance goals and business needs, which maintains or enhances the competitiveness of the Group.

The Company is allowed to use Treasury Shares for the Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Bye-Laws of the Company. As at the Latest Practicable Date, the Company had no Treasury Shares and had no intention to use Treasury Shares for the Share Option Scheme, if applicable.

LETTER FROM THE BOARD

The Share Option Scheme does not have a trustee and hence none of the Directors is and will be a trustee of the Share Option Scheme.

Scope of Eligible Participants

The Eligible Participants of the Share Option Scheme are the directors and employees of the Company or any of its Subsidiaries (including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with these companies). The scope of the Eligible Participants does not include independent non-executive Directors.

When assessing the eligibility of an Eligible Participant, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties, work performance and importance of their roles; (ii) their educational and professional qualifications, and knowledge in the industry; (iii) their length of engagement or employment with the Group; (iv) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (v) their contribution made or expected to be made to the existing and future business of the Group, and to the growth and development of the Group; (vi) the prevailing market conditions; (vii) local market practice and industry standards and benefits; and (viii) whether granting of an Option is an appropriate incentive, and how an Option (taken together with any performance targets and/or vesting terms) can serve the purpose of the Share Option Scheme with respect to both the proposed Grantee and the long-term growth of the Group. The Board may also utilize the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a view as to whether the relevant criteria(s) have been satisfied.

The Directors (including the independent non-executive Directors) are of the view that, based on the nature of the Group's business, the inclusion of directors and employees of the Company or any of its subsidiaries as Eligible Participants is in line with the purposes of the Share Option Scheme, and is fair and reasonable and in the long-term interests of the Company and the Shareholders as a whole.

Scheme Mandate Limit

Pursuant to the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of the Company shall not, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue (excluding Treasury Shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. Options or awards lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

As at the Latest Practicable Date, there were 2,492,400,000 Shares in issue (excluding Treasury Shares). Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the SGM and after the resolutions regarding the proposed adoption of the Share Option Scheme are passed at the SGM, the Scheme Mandate Limit will be 249,240,000 Shares, representing approximately 10% of the issued Shares as at the Latest Practicable Date (excluding Treasury Shares). For the avoidance of doubt, there were no Treasury Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Company will make relevant disclosures by way of announcement(s) in compliance with Chapter 17 of the Listing Rules when granting the Options to the Eligible Participants.

Vesting Period

The vesting period for the Options shall not be less than 12 months, save for the specific circumstances prescribed below. To ensure the practicability in fully attaining the purpose of the Share Option Scheme, the Board and the Remuneration Committee are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Options, which are set out in paragraph 8 of the Appendix to this circular; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract, recruit and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board and the Remuneration Committee are of the view that the shorter Vesting Period prescribed in paragraph 8 of the Appendix to this circular is in line with the market practice and is appropriate and aligns with the purpose of the Share Option Scheme.

Basis of Determining the Subscription Price of Options

Grantees to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Subscription Price as determined on the Grant Date. The basis for determining the Subscription Price is also specified in the rules of the Share Option Scheme and is summarized under paragraph 4 of the Appendix to this circular. The Board considers that such basis will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company.

Performance Targets and Clawback Mechanism

Subject to the Share Option Scheme and the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Option impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Option shall vest, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. Save as determined by the Board on a case-by-case basis and provided in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised. Save for the clawback mechanism described in paragraphs 9 in the Appendix to this circular, the Share Option Scheme does not prescribe any other clawback mechanism.

LETTER FROM THE BOARD

There are provisions in the Share Option Scheme which provides for circumstances under which the Options shall lapse automatically in the event that the Grantees cease to be the Eligible Participants, or commit a breach of the Share Option Scheme. As the circumstances for each grant may vary, it may not always be appropriate to impose a generic set of performance target or clawback mechanism. The Options may or may not contain any performance target or clawback mechanism. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets or clawback mechanism will be attached to each grant in light of the specific circumstances of each Eligible Participant. The Board and the Remuneration Committee will consider all relevant circumstances including the purpose of the grant and the category of the Eligible Participants in determining whether any performance target or clawback mechanism should be imposed. By allowing the Company to impose such performance targets and/or clawback mechanism on a case by case basis, the Directors (including the independent non-executive Directors) consider the Company will be in a better position to attract, recruit and retain such Eligible Participants to serve the Company and to provide incentives to such Eligible Participants in achieving the goals of the Group, which align with the purpose of the Share Option Scheme.

If any performance targets are imposed in the relevant offer letter of the grant of the Options, the Board will have regard to the purpose of the Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, R&D performance for the technology department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture), and such other goals as the Board may determine from time to time. In the case of Eligible Participants other than Directors, the achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head. In the case of Eligible Participants who are Directors, his/her final rating will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed Grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to him/herself). Due to the business nature of the Group, it would not be practicable, or possible, to delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Options are granted.

LETTER FROM THE BOARD

Other than the circumstances under which the Options shall lapse automatically as set out in the Share Option Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board (including the independent non-executive Directors) is of the view that the performance target and clawback mechanism allow more flexibility for the Board in setting the terms and conditions of the Options under particular circumstances of each grant. By facilitating the Board's aim to offer meaningful incentives to attract, recruit and retain quality talents that are valuable to the development of the Group, the performance target and clawback mechanism are considered to be beneficial to the Group and the Shareholders as a whole.

Conditions Precedent of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of Resolutions 2 and 3 as set out in the notice of the SGM in relation to the Share Option Scheme by the Shareholders at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Options to be granted in accordance with the terms and conditions of the Share Option Scheme.

General

A summary of the principal rules of the Share Option Scheme is set out in the Appendix to this circular. A copy of the rules of the Share Option Scheme will be made available for inspection at the SGM and will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.cbanner.com.cn for not less than fourteen (14) days before the date of the SGM. 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 which may fall to be issued in respect of all Options to be granted under the Share Option Scheme.

SGM

The notice of the General Meeting is set out on pages 37 to 40 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow resolutions which relate purely to a procedural or administrative matter to be voted on by show of hands. The chairman of the SGM will therefore put each of the resolutions to be proposed at the SGM to be voted by way of poll pursuant to the Bye-Laws. An announcement on the poll results will be published by the Company after the SGM in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, after having made reasonable enquiries, no Shareholder other than the Subscribers had any material interest in the proposed issuance of the Warrants under the Subscription Agreements. As such, other than the Subscribers who are interested in 415,400,000 Shares in aggregate representing approximately 16.67% of the issued share capital of the Company as at the Latest Practicable Date, no Shareholder will be required to abstain from voting at the SGM in respect of the resolution No.1 to approve, among other things, the issuance of the Warrants.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, after having made reasonable enquiries, no Shareholder had any material interest in the proposed adoption of the Share Option Scheme. As such, no Shareholder will be required to abstain from voting at the SGM in respect of the resolutions No. 2 and 3 to approve, among other things, the proposed adoption of the Share Option Scheme.

The register of members of the Company will be closed from Monday, January 12, 2026 to Thursday, January 15, 2026 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the eligibility of the Shareholders to attend and vote at the SGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, January 9, 2026.

ACTION TO BE TAKEN

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment or postponement thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be revoked by operation of law.

RECOMMENDATION

The Directors consider that (i) the terms of the Subscription Agreements (including the subscription of the Warrants and the Specific Mandate) and (ii) the proposed adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favor of the resolutions thereto to be proposed at the SGM.

LETTER FROM THE BOARD

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.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Completion of the subscription of the Warrants is subject to the fulfillment of certain conditions. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.

Yours faithfully,
For and on behalf of the Board
C.banner International Holdings Limited
Mr. Chen Yixi
Chairman

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

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to reward Eligible Participants who have contributed to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. By granting Options to the Eligible Participants, it recognizes the contribution or future contribution of Eligible Participants to the Group and helps the Group to foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholder through them owning a proprietary interest in the Company and becoming future Shareholders, thereby helping the Group to attract, recruit, retain and motivate high-calibre Eligible Participants that are in line with its performance goals and business needs, which maintains or enhances the competitiveness of the Group.

2. WHO MAY JOIN

The Board may, in its absolute discretion, grant Options to any Eligible Participants, which are the directors and employees of the Company or any of its Subsidiaries (including persons who are granted Options under the Share Option Scheme as an inducement to enter into employment contracts with these companies).

When assessing the eligibility of Eligible Participants, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties, work performance and importance of their roles; (ii) their educational and professional qualifications, and knowledge in the industry; (iii) their length of engagement or employment with the Group; (iv) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (v) their contribution made or expected to be made to the existing and future business of the Group, and to the growth and development of the Group; (vi) the prevailing market conditions; (vii) local market practice and industry standards and benefits; and (viii) whether granting of an Option is an appropriate incentive, and how an Option (taken together with any performance targets and/or vesting terms) can serve the purpose of the Share Option Scheme with respect to both the proposed Grantee and the long-term growth of the Group. The Board may also utilize the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a view as to whether the relevant criteria(s) have been satisfied.

For the avoidance of doubt, the scope of the Eligible Participants does not include the independent non-executive Directors.

3. ADMINISTRATION AND DURATION

Subject to the Listing Rules, the Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten (10)-year period.

4. SUBSCRIPTION PRICE

The Subscription Price shall be determined by the Board in its absolute discretion but in any event must be at least the higher of:

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

5. MAXIMUM NUMBER OF SHARES

The total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of the Company shall not, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue (excluding Treasury Shares) as at the Adoption Date, i.e. 249,240,000 Shares (the “**Scheme Mandate Limit**”). Options or awards lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval by its Shareholders in general meeting to “refresh” the Scheme Mandate Limit after three (3) years from the date of Shareholders’ approval for the last refreshment (or the adoption of this Share Option Scheme). Any “refreshment” of the Scheme Mandate Limit within any three (3)-year period must be approved by Shareholders subject to the following provisions:

- (a) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

- (b) the Company must comply with the requirements under the Listing Rules.

The Scheme Mandate Limit as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed scheme mandate. The Company must send a circular to its Shareholder containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the “refreshment”.

The Company may seek separate approval by its Shareholders in general meeting for granting options under this Share Option Scheme or awards under any other schemes of the Company (as the case may be) beyond the Scheme Mandate Limit, provided the options or awards in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified participant who may be granted such options or awards, the number and terms of the options or awards to be granted to each participant, and the purpose of granting options or awards to the specified participants with an explanation as to how the terms of the options or awards serve such purpose. The number and terms of options or awards to be granted to such 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 Grant Date for the purpose of calculating the Subscription Price.

The total number of Shares issued and to be issued upon exercise of the options and awards granted to each Grantee under the Share Option Scheme and any other schemes of the Company (including both exercised and outstanding Options but excluding any options and awards lapsed in accordance with the terms of the relevant scheme) in any twelve (12)-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option schemes of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue (excluding Treasury Shares) for the time being (the “**Individual Limit**”). Where any further grant of Options to an Eligible Participant would exceed the Individual Limit, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting options to the participant, explanation as to how the terms of the Options serve such purpose, and such other information required under the Listing Rules. The number and terms of the Options to be granted must be fixed before such Shareholders’ approval. The date of the Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Subscription Price of such Options.

6. GRANT OF OPTIONS TO CONNECTED PERSONS

Any grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director whose associate is the proposed Grantee).

Where any grant of Options to a substantial shareholder of the Company, or any of his/her associates, would result in the Shares issued and to be issued in respect of all Options granted (excluding any options lapsed in accordance with the terms of the Share Option Scheme) to such person in the 12 (twelve)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue on the date of such grant (excluding Treasury Shares), such further grant of Options must be approved by the Shareholders in general meeting in the manner set out below.

The Company must send a circular to the Shareholders containing all those terms as required under the Listing Rules. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favor of the resolution at such general meeting of the Shareholders. Parties that are required to abstain from voting in favor at the general meeting pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Subscription Price;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director whose associate is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) the information required under the Listing Rules and the Stock Exchange from time to time.

Any change in the terms of Options granted to a Grantee who is a Director, chief executive of the Company or substantial Shareholder, or any of their respective associates, must be approved by the Shareholders in the manner as set out above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme).

7. OFFER AND ACCEPTANCE

An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-eight (28) days from the Grant Date provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme has been terminated in accordance with the terms hereof or after the Eligible Participant for whom the Offer is made has ceased to be an Eligible Participant.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. An Offer is deemed to be accepted when the Company receives from the Grantee the relevant offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.

8. VESTING SCHEDULE

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised (the “**Vesting Period**”).

The Vesting Period in respect of Eligible Participant may be less than twelve (12) months from the Grant Date in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
or

- (f) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest twelve (12) months after the Grant Date.

9. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Subject to the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Option impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Option shall vest, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. Save as determined by the Board on a case-by-case basis and provided in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised. Save for the clawback mechanism described below, the Share Option Scheme does not prescribe any other clawback mechanism.

If any performance targets are imposed in the relevant offer letter of the grant of the Options, the Board will have regard to the purpose of the Share Option Scheme in assessing such may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, R&D performance for the technology department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time. In the case of Eligible Participants other than directors of the Company, the achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head. In the case of Eligible Participants who are directors of the Company, the achievement of his/her target will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed Grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to him/herself). Due to the business nature of the Group, it would not be practicable, or possible, to delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Options are granted.

If the Board determines that a Grantee ceases to be an Eligible Participant upon the occurrence of any of the circumstances below:

- (a) is guilty of any misconduct which would have justified the termination of his/her contract of employment for cause but which does not become known to the Company until he has ceased employment with any member of the Group;
- (b) is in breach of any material term of contract of employment (or other contract or agreement related to his contract of employment), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him/her and any member of the Group; or
- (c) is guilty of a material misstatement in the Group's financial statements,

then it may, in its absolute discretion, determine that any unexercised options, vested or unvested, held by the Grantee shall immediately lapsed upon the Board resolving to make such determination (whether or not the Grantee has been notified of the determination).

Under this paragraph, the Board may (but is not obliged to) by notice in writing to the Grantee concerned claw back such number of Options (to the extent not being exercised) granted as the Board may consider appropriate. The clawback will occur when the Grantee ceases to be an Eligible Participant. The Options that are clawed back pursuant to this paragraph shall be regarded as lapsed and the Options so clawed back will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (including the refreshed limit, as the case may be). For the avoidance of doubt, Options that have been exercised shall not be subject to the clawback mechanism as set out in this paragraph.

10. RESTRICTIONS AND LIMITATIONS

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Option. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company. The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

A grant of Options may not be made after any inside information has come to the Company's attention until (and including) the trading day after such inside information has been published in accordance with the relevant provisions of the Listing Rules. In particular, during the period commencing thirty (30) days immediately preceding the earlier of:

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

- (b) the deadline for the Company to 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 date of the results announcement (or during any period of delay in publishing results announcements), no Option may be granted.

For the avoidance of doubt, in compliance with the Listing Rules, a director must not deal in any securities of the Company (and no Options may be granted to a director) on any day on which the Company's financial results are published and:

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

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Section C of Appendix C3 to the Listing Rules.

11. EXERCISE OF OPTIONS

An Option may, subject to the provisions of paragraph 12 below, be exercised in whole or in part (but if in part only, in respect of a board lot in which the Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) in the manner set out in this paragraph 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 Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within ten (10) Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee share certificates in respect of the Shares so allotted.

12. OPTION PERIOD

Subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period, which must not be more than ten (10) years from the Grant Date of the Option, provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph 16(f) below having arisen, his Personal Representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of twelve (12) months following his death provided that where any of the events set out in subparagraphs (d), (e), (f) and (g) occurs prior to his death or within such period of six (6) months following his death, then his Personal Representative(s) may so exercise the Option only within such of the various periods respectively set out in such subparagraphs provided further that if within a period of three (3) years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 16(f) below which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's Personal Representative(s) and/or to the extent the Option has been exercised in whole or in part by his Personal Representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (b) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be an Eligible Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 16(f) below, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
- (c) in the event of the Grantee ceasing to be an Eligible Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 16(f) below, his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

- (d) in the event a general offer for Shares by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to sub-paragraph (e) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee shall be entitled to exercise the Option in full (to the extent vested but not yet exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
- (e) in the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees and any Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent vested but not yet exercised) to its full extent or to the extent notified by the Company;
- (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, the Company shall forthwith give notice thereof to all Grantees and any Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option (to the extent vested but not yet exercised) to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and
- (g) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in sub-paragraph (e) above, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option (to the extent vested but not yet exercised) either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

13. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (ii) the Subscription Price;

or any combination thereof, provided that:

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding sub-paragraph (a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with Frequently Asked Questions FAQ13 – No.16 or such other guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be to the extent that a Share would be issued at less than its nominal value. The Company shall engage independent auditors or financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph satisfies the requirements set out in paragraphs 13(a) and 13(b) above and are in their opinion fair and reasonable.

14. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option shall be identical to all existing issued Shares and shall be subject to all the provisions of the Bye-Laws of the Company for the time being in force, and such Shares 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 exercise of the Option and accordingly shall entitle the holders 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. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the Share Option Scheme or under the relevant laws or the Bye-laws in effect from time to time.

15. ALTERATION AND TERMINATION

Any alterations to the terms and conditions of a share scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by Shareholders in a general meeting.

Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive directors and/or the Shareholders of the Company if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Share Option Scheme. Any change to the authority of the directors of the Company or the administrator of the Share Option Scheme to alter the terms of Share Option Scheme must be approved by the Shareholders in a general meeting. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules and any guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

The Company by ordinary resolution in general meeting or the Board may at any time terminate the Share Option Scheme and in such event no further Options may be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the Share Option Scheme. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established after such termination.

16. 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 of the Option Period (subject to the provisions of the Share Option Scheme, in particular the periods referred to in paragraph 12 above);
- (b) in the event of a general offer for Shares by way of takeover or otherwise (other than by way of scheme of arrangement), the expiry of the period referred to in paragraph 12(d) above subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (c) in the event of a general offer for Shares by way of scheme of arrangement, subject to the scheme of arrangement becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 12(e) above;

- (d) the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee commits a breach of the prohibition on assignment or transfer of Options as referred to in the first sub-paragraph under paragraph 10 above;
- (f) the date on which the Grantee (if an employee or director of the Company or another member of the Group) ceases to be an Eligible Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 16(f) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s); and
- (g) the date on which the Grantee ceases to be an Eligible Participant for any other reason (subject to the provisions of the Share Option Scheme, in particular the periods referred to in paragraph 12 above).

17. CANCELLATION

Any Options granted but not exercised may be cancelled if the Eligible Participant so agrees. For the avoidance of doubt, where the Company cancels Options granted to an Eligible Participant and makes a new grant to the same Eligible Participant, such new grant may only be made with available Scheme Mandate Limit. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

C.banner International Holdings Limited
千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

NOTICE IS HEREBY GIVEN that a special general meeting of C.banner International Holdings Limited (the “**Company**”) will be held at 62/F, Nanjing Center, No.1 South Zhongshan Road, Nanjing, China on Thursday, January 15, 2026 at 3 p.m. (the “**SGM**”) for the purposes of considering and, if thought fit, approving (with or without modification) the following resolution:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the subscription agreements dated October 29, 2025 entered into between the Company and the subscribers (the “**Subscribers**”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose) (the “**Subscription Agreements**”) in relation to, among others, the allotment and issue of an aggregate of 474,500,000 warrants (the “**Warrants**”) to be subscribed by the Subscribers, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the creation and issue of the Warrants by the Company in accordance with the terms and conditions of the Subscription Agreements and the instrument of the Warrants be and is hereby approved, confirmed and ratified;
- (c) the specific mandate to the directors of the Company (the “**Directors**”) to exercise the powers of the Company for the allotment and issue of the warrant shares at the initial exercise price of HK\$0.28 each (subject to adjustment in accordance with the term and conditions of the Warrants) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants be and is hereby granted; and
- (d) any Director be and is hereby authorised to do all such further things and acts and execute all such further documents and take all such steps which he/she considers necessary, desirable or expedient to implement and give effect to any matters relating to or in connection with Subscription Agreements and the transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith.”

NOTICE OF SGM

2. “**THAT:** the share option scheme of the Company (the rules of which are contained in the document marked “B” produced to this meeting and signed by the chairman of this meeting for the purpose of identification) (the “**Share Option Scheme**”) be and is hereby approved and adopted and that any Director be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including without limitation:
- (a) to administer the Share Option Scheme under which options will be granted to eligible persons under the Share Option Scheme to subscribe for the shares of the Company (the “**Shares**”);
 - (b) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);
 - (c) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme and subject to the Listing Rules;
 - (d) to make application at the appropriate time or times to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing of, and permission to deal in, any Shares which may thereafter from time to time be issued and allotted pursuant to the exercise of the options under the Share Option Scheme; and
 - (e) to consent, if he/she deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

NOTICE OF SGM

3. “**THAT** the maximum number of Shares which may be allotted and issued pursuant to the Share Option Scheme and any other share schemes of the Company as may from time to time be adopted by the Company (being 10% of the total number of Shares in issue, excluding treasury shares, as at the date of passing this resolution) (the “**Scheme Mandate Limit**”) be and is hereby approved and adopted and that any Director be and is hereby authorized 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.”

Resolutions 2 and 3 as set out in this notice are inter-conditional upon each other. In the event that either Resolution 2 or 3 is not passed, both of Resolutions 2 and 3 will not take effect.

By Order of the Board
C.banner International Holdings Limited
Mr. Chen Yixi
Chairman

Hong Kong, December 24, 2025

Notes:

1. A Shareholder who is entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder who is the holder of two or more Shares may appoint more than one proxy. A proxy needs not be a Shareholder.
2. To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be returned to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before time appointed for holding the meeting or any adjournment or postponement thereof (as the case may be) and in default thereof the form of proxy shall not be treated as valid.
3. For the purpose of determining Shareholders’ entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, January 12, 2026 to Thursday, January 15, 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, January 9, 2026.
4. Where there are joint holders of any Share, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the name stand in the register of members of the Company in respect of such Share.

NOTICE OF SGM

5. The Chinese version of the resolutions set out in this notice is for reference only. If there is any inconsistency between the English and the Chinese versions, the English version shall prevail.
6. As at the date of this notice, the executive Directors are Mr. Chen Yixi, Mr. Yuan Zhenhua, Mr. Wu Weiming and Mr. Zhang Baojun, the non-executive Directors are Ms. Fan Yuanyuan and Ms. Zhang Yichen, and the independent non-executive Directors are Mr. Kwong Wai Sun Wilson, Mr. Xu Chengming and Mr. Zheng Hongliang.
7. If a typhoon signal no. 8 or above is hoisted, a black rainstorm warning signal is in force or under any other extreme conditions or adverse weather conditions in Hong Kong, at or at any time after 12:00 noon on the date of the SGM, the SGM will be adjourned or postponed in accordance with the bye-laws of the Company. An announcement will be posted on the websites of the Company and the Stock Exchange to notify the Shareholders of the date, time and place of the adjourned or postponed meeting. The meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the above meeting under bad weather conditions bearing in mind their own situations.