
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in BaWang International (Group) Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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BaWang International (Group) Holding Limited

霸王國際（集團）控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

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

A notice convening an annual general meeting of BaWang International (Group) Holding Limited to be held on 3/F, Administration Building, BaWang Industrial Complex, 468 Guanghua 3rd Road, Baiyun District, Guangzhou, China at 4:00 p.m. on Friday, 29 May 2020 is set out on pages 34 to 38 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or adjourned meeting should you so wish.

* *For identification purpose only*

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DEFINITIONS

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

“2009 Share Option Scheme”	The share option scheme adopted by the Company on 20 May 2009
“Adoption Date”	The date on which the New Share Option Scheme is to be conditionally adopted by the Shareholders at the AGM
“Annual General Meeting”	the annual general meeting of the Company to be held on 3/F, Administration Building, BaWang Industrial Complex, 468 Guanghua 3rd Road, Baiyun District, Guangzhou, China at 4:00 p.m. on Friday, 29 May 2020, the notice of which is set out on pages 34 to 38 of this circular
“Articles of Association”	the articles of association of the Company as amended and restated, supplemented or modified from time to time
“Associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Chief Executive”	shall have the meaning ascribed to it under the Listing Rules
“Close Associate”	has the meaning ascribed to it under the Listing Rules
“Company”	BaWang International (Group) Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Core Connected Person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any eligible participants of the New Share Option Scheme as specified therein
“Employee”	any employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time)

DEFINITIONS

“Grantee”	any Eligible Participant who accepts the offer in accordance with the terms of the New Share Options Scheme, and where the context permits, any person who is entitled to any such Option in consequence of the death of the original Grantee (being an individual)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to issue, allot and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution
“Latest Practicable Date”	22 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum”	the memorandum of association of the Company as amended and restated, supplemented or modified from time to time
“New Share Option Scheme”	The new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in the Appendix III to this circular
“Notice”	the notice for convening the Annual General Meeting as set out on pages 34 to 38 of this circular
“Option(s)”	right(s) to subscribe for Share(s) granted pursuant to the New Share Option Scheme
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Notice
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company established pursuant to the Listing Rules

DEFINITIONS

“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of an Option pursuant to the terms and conditions of the New Share Option Scheme
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.

EXPECTED TIMETABLE

Despatch of this circular and notice of
the Annual General Meeting..... Tuesday, 28 April 2020

Last time for lodging transfer forms of Shares to
qualify for entitlements to attend and vote
at the Annual General Meeting 4:30 p.m. on Friday, 22 May 2020

Closure of Register of Members (both dates inclusive)..... from Saturday, 23 May 2020
to Friday, 29 May 2020

Latest time for lodging forms of proxy for the
Annual General Meeting (in any event not less than
48 hours before the time appointed for holding
the Annual General Meeting or any
adjournment thereof) 4:00 p.m. on Wednesday, 27 May 2020

Date and time of the Annual General Meeting 4:00 p.m. on Friday, 29 May 2020

Notes:

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate and in accordance with the Listing Rules.

LETTER FROM THE BOARD

BaWang International (Group) Holding Limited

霸王國際（集團）控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

Executive Directors:

Mr. CHEN Qiyuan (*Chairman*)
Mr. CHEN Zheng He (*Chief Executive Officer*)
Mr. WONG Sin Yung

Independent Non-Executive Directors:

Dr. NGAI Wai Fung
Mr. CHEUNG Kin Wing
Dr. WANG Qi

Registered Office:

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

*Principal Place of Business
in the PRC:*

BaWang Industrial Complex
468 Guanghua 3rd Road
Baiyun District, Guangzhou
510450
PRC

*Principal Place of Business
in Hong Kong:*

Suite B, 16/F
Ritz Plaza
122 Austin Road
Tsimshatsui
Kowloon
Hong Kong

28 April 2020

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting, which include: (i) the grant of the Issue Mandate; (ii) the grant of the Repurchase Mandate; (iii) the re-election of retiring Directors; and (iv) the proposed adoption of the New Share Option Scheme.

* *For identification purpose only*

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandate to issue and repurchase Shares will expire at the conclusion of the Annual General Meeting. Accordingly, the following ordinary resolutions will be proposed at the Annual General Meeting to seek the approval from Shareholders for the granting to the Directors of general mandates authorising them to:

- (i) exercise the powers of the Company to allot, issue or the grant any offers, agreements or options which would or might require new Shares to be issued or allotted, with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution;
- (ii) repurchase Shares on the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and
- (iii) subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the Annual General Meeting, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

The existing general mandate, which was granted to the Directors by the Shareholders at the annual general meeting of the Company held on 31 May 2019, authorised the Directors to exercise the powers of the Company to: (i) allot, issue and otherwise deal with up to 632,488,144 Shares, and (ii) to repurchase Shares on the Stock Exchange up to a maximum of 316,244,072 Shares. As at the Latest Practicable Date, the Directors had not exercised the general mandate to repurchase Shares or utilised the existing general mandate to allot, issue and otherwise deal with the Shares. As at the Latest Practicable Date, the Company had 3,162,440,720 Shares in issue.

Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to issue up to a maximum of 632,488,144 new Shares under the Issue Mandate and to repurchase up to a maximum of 316,244,072 Shares under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate, if approved by the Shareholders at the Annual General Meeting, will continue until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles of Association or any applicable laws of the Cayman Islands to be held; and

LETTER FROM THE BOARD

- (iii) the revocation or variation of such authority by the Shareholders by ordinary resolution in general meeting of the Company.

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no present intention to issue any new Shares or repurchase any Shares pursuant thereto. The Directors will not exercise the Repurchase Mandate to such an extent that the public holding of Shares would be reduced below the minimum public float requirement pursuant to the Listing Rules or that such repurchase will have a material adverse effect on the working capital or gearing position of the Company.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and as required pursuant to the Listing Rules is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

3. RE-ELECTION OF DIRECTORS

Mr. CHEN Zheng He, Dr. NGAI Wai Fung and Dr. WANG Qi will retire from the office of Director in accordance with the Listing Rules and Article 84(1) of the Articles of Association, and being eligible, offer themselves for re-election at the Annual General Meeting. Under resolution No. 2 of the Notice, re-election of retiring Directors will be individually voted on by the Shareholders.

The biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2009 Share Option Scheme

The 2009 Share Option Scheme had a term of 10 years and expired on 19 May 2019. As at the Latest Practicable Date, no share option was outstanding under the 2009 Share Option Scheme, and there was no share option granted, exercised, cancelled or lapsed under the 2009 Share Option Scheme upon the expiry of the 2009 Share Option Scheme on 19 May 2019. Save as disclosed, there is no other outstanding options, warrants and convertible securities to subscribe for the Shares as at the Latest Practicable Date.

Proposed adoption of the New Share Option Scheme

Given the 2009 Share Option Scheme has expired and to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the AGM to adopt the New Share Option Scheme. The New Share Option Scheme will become effective on the date of fulfilment of all the conditions precedent as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” below.

LETTER FROM THE BOARD

There were a total of 3,162,440,720 Shares in issue as at the Latest Practicable Date. Assuming that there is no change in issued share capital of the Company between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other option schemes (if any) will be 316,244,072 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme (if any). There is no trustee appointed for the purposes of the New Share Option Scheme.

Principal terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date on which the New Share Option Scheme becomes unconditional, will provide the Company with more flexibility in long term planning of granting Options to Eligible Participants in a longer period in the future. The New Share Option Scheme does not provide for any minimum period for holding of Options or any performance target before exercise of Options, but the Board may add such terms at the time of the grant of any Option, which can provide appropriate incentives or rewards to the Eligible Participants for their contribution to the Group. Under the New Share Option Scheme, the Board will have discretion in determining the Subscription Price (subject to the requirements under the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors to determine the Subscription Price will place the Group in a better position to reward Employees and retain the Eligible Participants that are valuable to the long-term growth and development of the Group as a whole.

Value of the Options

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

LETTER FROM THE BOARD

Conditions precedent of the New Share Option Scheme

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

- (1) the passing of the necessary resolution(s) by the Shareholders at the AGM to, among others, (a) approve the adoption of the New Share Option Scheme; (b) authorise the Board to grant Options under the New Share Option Scheme; and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options on the Stock Exchange.

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

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the AGM approving the adoption of the New Share Option Scheme.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 34 to 38 of this circular. At the Annual General Meeting, Ordinary Resolutions will be proposed to approve, *inter alia*, the granting of Issue Mandate, Repurchase Mandate, extension of Issue Mandate, re-election of Directors and the proposed adoption of the New Share Option Scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 23 May 2020 to Friday, 29 May 2020, both days inclusive, during which no transfer of shares will be effected in order to determine the entitlement to attend and vote at the Annual General Meeting. All share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2020 for such purpose.

7. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll. An announcement of the poll results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

8. 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.

9. RECOMMENDATION

The Directors consider that the proposals mentioned above, including the proposals for the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, re-election of Directors and the proposed adoption of the New Share Option Scheme, are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme will be available for inspection at the principal place of business in Hong Kong of the Company at Suite B, 16/F, Ritz Plaza, 122 Austin Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours on any business day from the date hereof up to and including the date of the AGM.

LETTER FROM THE BOARD

11. GENERAL INFORMATION

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

In the event of inconsistency, the English texts of this circular and the enclosed form of proxy shall prevail over the Chinese texts.

Yours faithfully,
By Order of the Board
BaWang International (Group) Holding Limited
CHEN Qiyuan
Chairman

The following explanatory statement contains particulars required pursuant to Rule 10.06 of the Listing Rules to be given to the Shareholders relating to the resolution to be proposed at the Annual General Meeting authorising the Repurchase Mandate.

1. THE REPURCHASE MANDATE

It is proposed that up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of approval of the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the total number of issued Shares was 3,161,440,720. Subject to the passing of the Ordinary Resolution for the approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Directors would be authorised to repurchase up to 316,244,072 Shares (being 10% of the Shares in issue) during the period up to (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares, but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, enhance the net asset value of the Company and/or earnings per Share.

3. IMPACT OF REPURCHASE

As compared with the financial position of the Company as at 31 December 2019 (being the date to which the latest published audited financial statements of the Company have been made up), the Directors consider that there may be a material adverse impact on the working capital and the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. The Directors confirm that no repurchase would be made to such extent as would have a material adverse impact on the working capital or gearing position of the Company.

4. FUNDING OF REPURCHASES

The Company is empowered by the Articles of Association and the applicable laws of the Cayman Islands to repurchase its Shares. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the fund of the Company that would otherwise be legally available for dividend or distribution or out of the share premium account of the Company for such purpose under the laws of the Cayman Islands. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced so that the Shares may be subsequently re-issued.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the Close Associates of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no Core Connected Person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of Shares held by him/her to the Company in the event that Repurchase Mandate is granted.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Memorandum and the Articles of Association.

7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares of the Company may result in an increase in the proportionate voting rights of Shareholders of the Company, which could give rise to an obligation of a substantial shareholder or controlling shareholder to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Fortune Station Limited (“**Fortune Station**”) owns approximately 60.12% of the issued share capital of the Company and is its controlling shareholder. Fortune Station is held directly by Mr. CHEN Qiyuan (an executive Director) and Heroic Hour Limited (“**Heroic Hour**”). Heroic Hour is in turn owned by Mr. CHEN Zheng He (the Chief Executive Officer and an executive Director, and the son of Mr. CHEN Qiyuan) together with his six brothers and sisters.

Based on the shareholding interest of Fortune Station in the Company, Heroic Hour, Mr. CHEN Qiyuan and Mr. CHEN Zheng He (together with his six brothers and sisters) are the major shareholders (collectively the “**Major Shareholders**”) of the Company. In the event that the Directors exercise their power in full to repurchase Shares pursuant to the Repurchase Mandate, and assuming that the Company does not issue any new Shares (whether pursuant to the Issue Mandate or otherwise), the respective percentage shareholding of the Major Shareholders (being concert parties) in the issued share capital of the Company would be increased from approximately 60.12% to approximately 66.78%. Such increase will not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code, and the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, no Share has been repurchased by the Company.

9. SHARE PRICES

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

	Share Price	
	Highest Price <i>HK\$</i>	Lowest Price <i>HK\$</i>
2019		
May	0.165	0.141
June	0.150	0.134
July	0.143	0.120
August	0.121	0.093
September	0.099	0.088
October	0.096	0.085
November	0.104	0.085
December	0.109	0.089
2020		
January	0.104	0.098
February	0.110	0.090
March	0.090	0.084
April (<i>up to the Latest Practicable Date</i>)	0.076	0.070

1. PARTICULARS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting:

Executive Director**Mr. CHEN Zheng He***Experience*

Mr. CHEN Zheng He (陳正鶴先生) (“**Mr. CHEN**”), aged 31 has been an executive Director since October 2014 and was appointed as the chief executive officer of the Company with effect from 9 December 2015. Mr. CHEN joined the Group in March 2007 and has been officially appointed as a director of Bawang (Guangzhou) Company Limited (“**Bawang Guangzhou**”), a PRC subsidiary of the Group and afterwards certain other subsidiaries of the Group since then and became involved in the planning of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN was appointed as the personal assistant to the chief executive officer of the Company in March 2012, mainly responsible for the daily administration and management of Bawang Guangzhou. Since mid-2013, Mr. CHEN has also been responsible for the supervision and execution of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN works closely with the chairman of the Company on formulating overall strategic plan and management of the Group, and executing strategic plans in marketing, and sales and distribution. Mr. CHEN obtained the degree of bachelor of commerce from the University of Toronto in 2012.

Save as disclosed above, Mr. CHEN (i) does not hold any other positions within the Group, and (ii) did not hold any directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service and directors’ emoluments

Mr. CHEN has entered into a service agreement with the Company and was appointed as executive Director for a term of three years commencing from 20 October 2014, which is automatically renewable upon expiration unless terminated by not less than six months’ written notice in accordance with the terms and conditions specified in the service agreement. The directorship of Mr. CHEN is subject to the provisions of retirement by rotation and re-election at the annual general meetings of the Company under the Articles of Association. The director’s remuneration payable to Mr. CHEN will be determined by the Board, in consultation with the Remuneration Committee, pursuant to the authority granted by the Shareholders at the Annual General Meeting. Mr. CHEN is currently entitled to an annual director’s fee in the sum of HK\$100 or such higher sum as the Remuneration Committee may from time to time decide. The reason for Mr. CHEN to receive a nominal amount of director’s fee at HK\$100

per annum for the time being is to show his support for the Group's cost-saving plan. In addition, he is also currently entitled to salaries payable to him by Bawang International Group Holding (HK) Limited, a subsidiary of the Company, in the sum of approximately HK\$144,000 per annum.

Interests in Shares

As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. CHEN was interested or deemed to be interested in 1,900,840,000 Shares (representing approximately 60.12% of the total issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

Relationships

Mr. CHEN is the son of Mr. CHEN Qiyuan, the chairman and an executive Director of the Company.

Save as disclosed above, Mr. CHEN has no relationship with other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Other information

Save as disclosed in this circular, Mr. CHEN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any other information required to be disclosed pursuant to the requirements set forth in Rule 13.51(2)(h) to (v) of the Listing Rules.

Independent non-Executive Directors

Dr. NGAI Wai Fung

Experience

Dr. NGAI Wai Fung (魏偉峰) ("Dr. NGAI"), aged 58, was appointed as an independent non-executive Director of the Company on 10 December 2008. He is the group chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, a specialty company secretarial, corporate governance and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. He has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and risk management, regulatory compliance, corporate governance and secretarial work for listed issuers including major red chips companies. Dr. NGAI had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. He is a member of the General

Committee of the Chamber of Hong Kong Listed Companies and has been appointed as a Finance Expert Consultant by the Ministry of Finance of the PRC since 2016. He was the President of Hong Kong Institute of Chartered Secretaries (2014–2015), an unofficial member of the Working Group on Professional Services under the Economic Development Commission of Hong Kong Special Administrative Region (2013–2018) and a member of the Qualification and Examinations Board of the Hong Kong Institute of Certified Public Accountants (2013–2018). Dr. NGAI is currently the independent non-executive director of Bosideng International Holdings Limited (Stock Code: 3998.HK), Powerlong Real Estate Holdings Limited (Stock Code: 1238.HK), Health and Happiness (H&H) International Holdings Limited (Stock Code: 1112.HK), SITC International Holdings Company Limited (Stock Code: 1308.HK), Beijing Capital Grand Limited (Stock Code: 1329.HK), BBMG Corporation (Stock Code: 2009.HK), TravelSky Technology Limited (Stock Code: 696.HK) and China Communications Construction Company Limited (Stock Code: 1800.HK) and also the independent director of LDK Solar Co., Ltd. and SPI Energy Co., Ltd. Apart from LDK Solar Co., Ltd. and SPI Energy Co., Ltd., which are now listed on the OTC Pink Limited Information and Nasdaq respectively, all of which are companies listed on the Hong Kong Stock Exchange and/or the Shanghai Stock Exchange. Dr. NGAI was the independent non-executive director of China Coal Energy Company Limited (Stock Code: 1898.HK) from December 2010 to June 2017, China Railway Group Limited (Stock Code: 390.HK) from June 2014 to June 2017, HKBridge Financial Holdings Limited (Stock Code: 2323.HK) from March 2016 to April 2018 and Yangtze Optical Fibre and Cable Joint Stock Limited Company (Stock Code: 6869.HK) from September 2014 to Jan 2020.

Dr. NGAI is a fellow of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators), a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of Hong Kong Institute of Directors, a member of the Hong Kong Securities and Investment Institute and a member of the Chartered Institute of Arbitrators. Dr. NGAI received a doctoral degree in Finance from Shanghai University of Finance and Economics, a master's degree in Corporate Finance from the Hong Kong Polytechnic University, a bachelor honor degree in Laws from University of Wolverhampton in the United Kingdom and a master's degree in Business Administration from Andrews University of Michigan in the United States.

Save as disclosed above, Dr. NGAI (i) does not hold any other positions within the Group, (ii) has no other major appointments and professional bodies' offices, and (iii) did not hold any directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

According to Code Provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, (a) having served the Company for more than nine years could be relevant to the determination of an independent non-executive director's independence, and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

In respect of the proposed re-election of Dr. NGAI, the nomination committee of the Board (the “NC”) has carefully considered (a) the independence confirmation received from Dr. NGAI during which he had been an independent non-executive director and the criteria as set out in Rule 3.13 of the Listing Rules, (b) the positions that he holds in other listed companies and his role in SWCS Corporate Services Group (Hong Kong) Limited, none of which in the Board’s views affected Dr. NGAI’s independence, (c) the independent views and advice that Dr. NGAI had provided to the Board, particularly his leadership of the audit and risk management committee over his tenure of office in ensuring good communication with the Group’s auditors, and also for his promotion of Environment, Social and Governance efforts within the Group, (d) his participation in the nomination and remuneration committees of the Board, and (e) the independent advice Dr. NGAI had given to the Board during the key development phases of the Group and also in relation to the Company’s continuing Listing Rules and laws compliance. The NC had also evaluated the performance of Dr. NGAI during the year ended 31 December 2019 based on the nomination policy of the Company, and found his performance satisfactory for re-election.

Dr. NGAI has also confirmed to the Board, and the Board is also not aware of, any matter that would affect Dr. NGAI’s ability to continue serving the Company’s as its independent non-executive Director. The Board therefore considers that Dr. NGAI remains independent notwithstanding that he has served more than nine years as an independent non-executive Director.

The NC has carefully considered Dr. NGAI’s candidacy in light of his experience and background, and in particular it has considered the following factors:

- in 2019, Dr. NGAI had been present in all of the board meetings of the Company, either attending in person or through telephone, and was similarly present in all of the Company’s nomination committee, remuneration committee and audit committee meetings. He was also physically present at the Company’s annual general meeting held on 31 May 2019 in Guangzhou to answer questions posed by the shareholders. Dr. NGAI has, in compliance with code provision A.2.7 of the Corporate Governance Code, met with the chairman of the Group on an annual basis;
- Dr. NGAI is not seeking re-election as an independent non-executive director of Health and Happiness (H&H) International Holdings Limited (Stock code: 1112.HK);
- Dr. NGAI has notified the Company that he will review from time to time his other directorship commitments in order to ensure he is able to continuously perform his duties and obligations as the Company’s independent non-executive Director;
- independent non-executive directors of the Company are not required to take an executive role in the management and operations of the Group and therefore the time commitment of Dr. NGAI in his other capacities are manageable;

- through acting as director of other listed companies in various industries, covering both state-owned and privately-owned enterprises covering a number of different industries and issuers that are listed overseas, in Hong Kong and in the PRC, the NC believes that he would be able to provide a wide range of perspectives, to provide experience-sharing and business contacts to the Group, thus contributing to the diversity of experience of the Board; and
- Dr. NGAI's extensive and diverse experience in the management of listed companies in Hong Kong, his familiarity of the Listing Rules, his expertise in accounting and audit, corporate finance, company secretarial matters, risk management and control and had contributed and are expected to continue to further contribute to the enhancement of the Group's corporate governance and internal risk management structures going forward.

On the basis of the above, the NC is of the view (and the Board concurs) that notwithstanding Dr. NGAI holding more than seven listed company directorships, he has been able to (and will continue to be able to) devote his time and attention to the Company's affairs, and by virtue of his professional experience and background, he has contributed and is expected to continue to contribute to Board diversity.

Dr. NGAI's re-election will be subject to a separate resolution to be approved by Shareholders in the upcoming AGM.

Length of service and directors' emoluments

Dr. NGAI has entered into a service contract with the Company and was appointed as independent non-executive Director for a term of three years commencing from 4 July 2018. The directorship of Dr. NGAI is subject to the provisions of retirement by rotation and re-election at the annual general meetings of the Company under the Articles of Association. The director's remuneration payable to Dr. NGAI will be determined by the Board, in consultation with the Remuneration Committee and with reference to his experience, duties, responsibilities and the prevailing market conditions, pursuant to the authority granted by the Shareholders at the Annual General Meeting. Dr. NGAI's current annual remuneration is HK\$300,000.

Interests in Shares

As at the Latest Practicable Date, to the best of the Company's knowledge and belief, Dr. NGAI does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Relationships

Dr. NGAI has no relationship with other Directors, senior management or substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Other information

Save as disclosed in this circular, Dr. NGAI has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any other information required to be disclosed pursuant to the requirements set forth in Rule 13.51(2)(h) to (v) of the Listing Rules.

Dr. WANG Qi*Experience*

Dr. WANG Qi (王琦博士) (“**Dr. WANG**”), aged 40, is currently the vice director of the Dongguan Institute of Opto-electronics, Peking University. Prior to that, from 2010 to 2012, he was a research associate in the Department of Electronic and Electrical Engineering of the University of Sheffield in the United Kingdom, and also worked at Seren Photonics Ltd, a company in the United Kingdom which focuses on the development and manufacturing of semi-polar and non-polar Gallium Nitride templates. From 2012 to 2014, he was a postdoctoral research fellow in the Department of Electrical and Computer Engineering of McGill University in Canada.

Dr. WANG is a member of the Dongguan committee of the Jiusan Society, the chairman of the Songshan Lake branch of the Dongguan committee of the Jiusan Society, a vice chairman of the technological innovation promotion committee of the Dongguan Committee of the Jiusan Society, an entrepreneurship mentor of the Dongguan Business Incubation Association and a member of the Dongguan Songshan Lake High-tech Industry Development Zone Science and Technology Association. He is also the legal representative and an executive director of the Dongguan Yanyuan Technological Assets Management Company Limited. He was recognised as a special professional of Dongguan City (3rd Class Distinctive Talent) by the Office for the Administration of Talent Affairs of Dongguan City in 2017.

Dr. WANG obtained a bachelor’s degree in physics (magnetism) from Lanzhou University in 2001. He studied at the Department of Physics of Peking University from 2002 to 2008. He obtained a Doctor of Philosophy in the Faculty of Engineering Department of Electronic and Electrical Engineering from the University of Sheffield in the United Kingdom in 2010.

In respect of the proposed re-election of Dr. WANG Qi, the NC has carefully considered the independence confirmation received from Dr. WANG during which he had been an independent non-executive director and the criteria as set out in Rule 3.13 of the Listing Rules and Dr. WANG has not engaged in any executive management of the Group. The NC had also evaluated the performance of Dr. WANG during the year ended 31 December 2019 based on the nomination policy of the Company, and found his performance satisfactory to be re-elected. Dr. WANG has provided valuable contributions to the Company and demonstrated his ability to provide independent advice to affairs of the Company as a member of the audit and risk management committee. His extensive experience and professional work experience have

enabled him to provide valuable insights to the Board. In addition, his strong educational background and diversity of work experience overseas as disclosed above have enabled him to provide valuable and diverse views, contributing to the diversity of the Board.

Save as disclosed above, Dr. WANG (i) does not hold any other positions within the Group, (ii) has no other major appointments and professional qualifications, and (iii) did not hold any directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service and directors' emoluments

Dr. WANG has entered into a letter of appointment with the Company and was appointed as an independent non-executive Director for a term of three years commencing from 17 April 2018. The directorship of Dr. WANG is subject to the provisions of retirement by rotation and re-election at the annual general meetings of the Company under the Articles of Association.

The directors' remuneration payable to Dr. WANG will be determined by the Board, in consultation with the Remuneration Committee and with reference to his experience, duties, responsibilities and the prevailing market conditions, pursuant to the authority granted by the Shareholders at the Annual General Meeting. Dr. WANG's current annual remuneration is HK\$200,000.

Interests in Shares

As at the Latest Practicable Date, to the best of the Company's knowledge and belief, Dr. WANG does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Relationships

Dr. WANG has no relationship with other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Other information

Save as disclosed in this circular, Dr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election nor is there any other information required to be disclosed pursuant to the requirements set forth in Rule 13.51(2)(h) to (v) of the Listing Rules.

2. POLICY ON DIRECTORS' EMOLUMENTS

The emoluments for the Directors are determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. In addition to the fees, salaries, contributions to retirement benefits scheme, housing allowances, other allowances, benefits in kind or bonuses. Directors, may be granted options to subscribe for Shares under the share option scheme(s) that may be in place for the Company from time to time.

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

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

- (a) The New Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that Eligible Participants (as defined under paragraph (c) below) had made or may make to the Group.
- (b) The New Share Option Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:
 - (i) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
 - (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.
- (c) For the purpose of the New Share Option Scheme, “Eligible Participants” means any person who satisfies the eligibility criteria in paragraph 2 below.

2. WHO MAY JOIN AND BASIS FOR DETERMINING ELIGIBILITY

- (a) The Board may at its discretion grant Options to: (i) any Director, Employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the “**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, Employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, Employee, consultant, professional, customer, supplier, agent, business or joint venture partner, adviser of or contractor to the Group or an Affiliate.
- (b) In order for a person to satisfy the Board that he/she/it is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his/her/its eligibility (or continuing eligibility).

- (c) Each grant of Options to a Connected Person of the Company or any of his/her/its Associate must be approved in accordance with the requirements of the Listing Rules.
- (d) Any person whom the Board has resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Option granted to him remains outstanding. In assessing such Grantee's continuing eligibility under the New Share Option Scheme, the requirements set out in sub-paragraph (a) above and the views, if any, of the independent non-executive Directors shall be given due and careful consideration by the Board.
- (e) Should the Board resolve that a Grantee fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under the New Share Option Scheme as referred to sub-paragraph (d) above, the Company would be entitled to deem any outstanding Option or part thereof, granted to such Grantee and to the extent not already exercised, as lapsed.

3. GRANT OF OPTIONS

- (a) On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time on a Business Day within 10 years commencing on the effective date of the New Share Option Scheme to offer the grant of an Option to any Eligible Participants as the Board may in its absolute discretion select in accordance with the eligibility criteria as set out in paragraph 2 above.
- (b) An offer shall be deemed to have been accepted and an Option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when the Company, within 21 days from the date on which an Option is offered to an Eligible Participant, receives the duly signed offer letter from the Grantee together with the number of Shares in respect of which the offer is accepted clearly stated therein and a non-refundable payment of HK\$1.00 (or such other sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof.
- (c) Subject to the provisions of the New Share Option Scheme, the Listing Rules and other applicable rules and regulations, the Board may, on a case by case basis and at its discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the New Share Option Scheme as it may think fit (which shall be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing):
 - (i) the continuing eligibility of the Grantee under the New Share Option Scheme, and in particular, where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria, the Option (to the extent it has not already been exercised) shall lapse;
 - (ii) the continuing compliance of any such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent it has not already been exercised) will lapse unless otherwise resolved to the contrary by the Board;

- (iii) in the event that the Eligible Participant is a corporation (whether incorporated or unincorporated), that any change in key management personnel (including its chief executive officer, chief financial officer, chief operational officer or general manager), legal representative (applicable to PRC established entities) and a majority of its board of directors) and/or any change of majority shareholder of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Share Option Scheme;
 - (iv) in the event that the Eligible Participant is a trust, that any change of the beneficiary of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Share Option Scheme;
 - (v) in the event that the Eligible Participant is a discretionary trust, that any change of discretionary beneficiary(ies) of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Share Option Scheme;
 - (vi) conditions, restrictions or limitations relating to the achievement of operating or financial targets; and
 - (vii) if applicable, the satisfactory performance of certain obligations by the Grantee.
- (d) Without prejudice to the generality of the foregoing and subject to the Listing Rules and clause 5, the Board may grant Options in respect of which the Subscription Price for the Shares under the New Share Option Scheme is fixed at different prices for different periods during the applicable Option period.
- (e) The Board shall not offer the grant of an Option to any Eligible Participants:
- (i) after an inside information has come to the Company's knowledge and until such inside information has been announced pursuant to the relevant requirements of the Listing Rules; or
 - (ii) within the period commencing one month immediately preceding the earlier of:
 - (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (2) the deadline for the Company to publish an announcement of its result for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

4. GRANT OF OPTIONS TO CONNECTED PERSONS

Without prejudice to paragraph 3, any grant of Options to any Director, Chief Executive or Substantial Shareholder or any their respective Associates must be approved by all of the independent non-executive Directors excluding, for all purposes, any independent non-executive Director who is a proposed Grantee.

Where any grant of Options to a Substantial Shareholder or an independent non-executive Director or their respective Associates would result in the total number of the Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders of the Company. The Company must send a circular to its Shareholders. A circular with the requisite information must be sent to the Shareholders prior to general meeting, disclosing, amongst others, details of the number and terms (including the exercise price) of the Share Options to be granted to each such Eligible Participant, a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of such Share Options) and other information required under the Listing Rules. Such Grantee, his/her/its Associates and all Core Connected Persons must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll in accordance with the Listing Rules.

5. SUBSCRIPTION PRICE OF SHARES

The Subscription Price for any Share under the New Share Option Scheme will be a price determined by the Board at its absolute discretion and notified to each Grantee and will be not less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a Business Day; (ii) an amount equivalent to the average closing price of the Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant Option; and (iii) the nominal value of a Share on the date of the grant. The Subscription Price shall also be subject to any adjustments made in a situation contemplated under paragraph 11.

6. MAXIMUM NUMBER OF SHARES

- (a) The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company shall not, in aggregate, exceed 10 % of the Shares in issue as at the date of approval of the New Share Option

Scheme (the “**Scheme Mandate Limit**”) unless approved by the Shareholders pursuant to sub-paragraph (c) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

- (b) The Scheme Mandate Limit may be renewed by the Shareholders of the Company in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by Shareholders of the Company in general meeting. Upon such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to the Shareholders containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.
- (c) The Board may seek separate Shareholders’ approval in general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.
- (d) The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything contrary to the terms of the New Share Option Scheme, no Options may be granted under any scheme of the Company (including the New Share Option Scheme) if this will result in the said 30% limit being exceeded.
- (e) No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant under the New Share Option Scheme (including exercised, cancelled and outstanding share Options) in the 12-month period up to and including the date of such new grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further Options above this limit shall be subject to separate approval of the shareholders of the Company at general meeting, with such Eligible Participant and his/her/its close Associates (or his/her/its Associates if the Eligible Participant is a Connected Person) abstaining from voting. A circular with the requisite information must be sent to the Shareholders prior to such general meeting, disclosing, amongst others, the identity of such Eligible Participant and

the number and terms of the Share Options granted and proposed to be granted and such information from time to time as required by the Listing Rules. The number and terms (including the exercise price) of Share Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

- (f) The maximum number of Shares referred to in this clause shall be adjusted, in such manner as the auditors of the Company or the independent financial adviser of the Company shall certify as fair and reasonable in accordance with paragraph 11.

7. TIME OF EXERCISE OF OPTION

- (a) Subject to certain restrictions contained in the New Share Option Scheme, an Option may be exercised in accordance with the terms of the New Share Option Scheme and the terms of grant thereof at any time during the applicable Option period, which is not more than 10 years from the date of grant of Option.
- (b) There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. However, at the time of granting any Option, the Board may, on a case-by-case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the Options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

8. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option (where the Grantee is a company, any change of its major shareholder or any substantial change in its management as determined by the Board at its sole discretion will be deemed to be a sale or transfer of interest as aforesaid, if so determined by the Board at its sole discretion). Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised.

9. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT

Where an Option was granted subject to certain continuing conditions, restrictions or limitations on the Grantee's eligibility and the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent it has not already been exercised) shall lapse.

10. RIGHTS ON DEATH/CEASING EMPLOYMENT

- (a) If the Grantee (being an individual) dies before exercising the Option in full, his or her legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent exercisable as at the date of his/her death and not exercised) within a period of 12 months following his/her death or such longer period as the Board may determine.
- (b) Subject to sub-paragraphs (c) and (d), in the event of the Grantee who is an Employee ceasing to be an Employee for any reason other than his/her death, disability or the termination of his/her employment on one or more of the grounds specified in paragraph 16(f), the Grantee may exercise the Option (to the extent exercisable as at the date of the relevant event and not exercised) within 90 days following such cessation.
- (c) If the Grantee is an Employee, Director, consultant, professional, agent, business or joint venture partner, advisor of or contractor to the Group or its Affiliate at the time of the grant of the relevant Option(s) and his/her employment or service to the Company is terminated on the ground of disability, the Grantee may exercise the Option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee, director, consultant, professional, agent, business or joint venture partner, advisor of or contractor to the Group or its Affiliate and not exercised) within 6 months following such cessation or such longer period as the Board may determine.
- (d) If the Grantee is an Employee at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate, then the Option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) shall be exercised within 3 months following the date of such cessation or such longer period as the Board may determine.
- (e) If the Grantee is an Employee at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a Director of the Group or an Affiliate, then the Option(s) (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) granted prior to the date of his/her becoming a Director of the Group or its Affiliate shall remain exercisable until its expiry in accordance with the provisions of the New Share Option Scheme and the terms and conditions upon which such Option(s) is granted unless the Board shall determine to the contrary.
- (f) If the Grantee, who is a Director, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate but not an Employee, ceasing to be a Director, consultant, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate (as the case may be) for any reason other than his/her death (in the case of a Grantee

being an individual) or disability (in the case of a Grantee being a Director or consultant of the Group or its Affiliate), the Option (to the extent exercisable as at the date of such cessation and not exercised) shall be exercised within 30 days following the date of such cessation or such longer period as the Board may determine.

11. EFFECTS OF ALTERATIONS TO CAPITAL

In the event of capitalisation issue, rights issue, consolidation, sub-division, or reduction of the share capital of the Company, 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, whilst any Option remains exercisable, corresponding alterations (if any) shall be made to (i) the number or nominal amount of Shares which are the subject of unexercised Options; (ii) the Subscription Price; (iii) the method of exercise of the Options; and/or (iv) the maximum number of Shares subject to the New Share Option Scheme. Any adjustments required under this paragraph must give a Grantee the same proportion of the equity capital as that to which that Grantee was previously entitled but no such adjustments may be made to the extent that Shares would be issued at less than nominal value. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser of the Company or the auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this paragraph.

Any adjustment to be made to the Subscription Price of, and/or the number of Shares subject to, and any Options to be granted under, the New Share Option Scheme will comply with Chapter 17 of the Listing Rules and all guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

12. RIGHTS ON A TAKEOVER

If a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeovers Code), the Company shall give notice thereof to the Grantee and the Grantee may, by delivering a notice in writing to the Company within 14 days of such notice, exercise the Option to its full extent or to the extent specified in such notice accompanied by the remittance for the total Subscription Price payable.

13. RIGHTS ON A SCHEME OF ARRANGEMENT

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), 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 a scheme of arrangement, and thereupon the

Grantee may at any time thereafter, but before such time as shall be notified by the Company, exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

14. RIGHTS ON A VOLUNTARY WINDING UP

In the event notice is given by the Company to the 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 the Grantee (together with a notice of the existence of the provisions), and the Grantee shall be entitled to exercise all or any of his Options at any time not later than 7 days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by the remittance for the total Subscription Price payable in respect of the exercise of the relevant Option and of which the notice is given and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

15. RIGHTS ATTACHING TO SHARES UPON EXERCISE OF AN OPTION

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of the Company for the time being in force as at the allotment date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the allotment date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the allotment date. Any Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered into the register of members of the Company as the holder thereof.

16. LAPSE OF OPTIONS

An Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of the periods referred to in paragraph 10;
- (c) the date of commencement of the winding-up of the Company;

- (d) the date on which the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 13;
- (e) the date of which the Grantee who is an Employee when an offer is made to him/her and he/she subsequently ceases to be an Employee by reason of the termination of his/her employment on any one or more on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group. A resolution of the Board to the effect that the employment on any one or more of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding on the Grantee;
- (f) the happening of any of the following events, unless otherwise waived by the Board:
 - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the grantee (being a corporation);
 - (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within a meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any similar provisions under the Companies Law) or otherwise become insolvent;
 - (iii) there is unsatisfied judgment, order or award outstanding against the Grantee or the Company has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
 - (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above;
 - (v) a bankruptcy order has been made against the grantee or any Director of the Grantee (being a corporation) in any jurisdiction; or
 - (vi) a petition for bankruptcy has been presented against the Grantee or any Director of the Grantee (being a corporation) in any jurisdiction;
- (g) the date on which a situation as contemplated under paragraph 8 arises;
- (h) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; or

- (i) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed pursuant to paragraph 9.

17. CANCELLATION OF OPTIONS GRANTED

The Board shall have the absolute discretion to cancel any Options granted at any time if the Grantee so agreed provided where an Option is cancelled and a new Option is proposed to be granted to the same Grantee, the issue of such new Option may only be made with available but unissued Shares in the authorised share capital of the Company, and available ungranted Options (excluding for this purpose all the cancelled Options) within the limits referred to in paragraph 6.

18. PERIOD OF THE NEW SHARE OPTION SCHEME

Options may be granted to Eligible Participants under the New Share Option Scheme during the period of 10 years commencing on the effective date of the Share Option Scheme.

19. ALTERATION TO NEW SHARE OPTION SCHEME AND TERMINATION

- (a) The New Share Option Scheme may be altered in any respect by a resolution of the Board except that those specific provisions relating to matters contained in Rule 17.03 and 17.04 of the Listing Rules, or any other relevant provisions of the Listing Rules from time to time applicable, which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting. Any alterations of the New Share Option Scheme must also comply with the relevant requirement of applicable Listing Rules.
- (b) Any alteration to the terms and conditions of the New Share Option Scheme which is of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in force in all other respects. In particular, all Share Options granted prior to such termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must first be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

BaWang International (Group) Holding Limited

霸王國際（集團）控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of BaWang International (Group) Holding Limited (the “**Company**”) will be held on 3/F, Administration Building, BaWang Industrial Complex, 468 Guanghua 3rd Road, Baiyun District, Guangzhou, China at 4:00 p.m. on Friday, 29 May 2020 for the following purposes:

1. To receive and consider the audited financial statements and the reports of directors (the “**Director(s)**”) of the Company and auditors of the Company, for the year ended 31 December 2019.
2. (A) (i) To re-elect Mr. CHEN Zhenghe as an executive Director;
(ii) To re-elect Dr. NGAI Wai Fung as an independent non-executive Director;
(iii) To re-elect Dr. WANG Qi as an independent non-executive Director; and
(B) To authorise the board (the “**Board**”) of Directors to determine the Directors’ remuneration.
3. To re-appoint SHINEWING (HK) CPA Limited as auditors of the Company and authorise the Board to determine their remuneration.
4. To consider and, if thought fit, to pass with or without amendments the following resolutions as ordinary resolutions of the Company:

4A. “**THAT:**

(a) subject to paragraph 4A(c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the articles of association of the Company, be and is hereby generally and unconditionally approved;

(b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs 4A(a) and 4A(b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under a share option scheme adopted by the Company or an issue of shares upon the exercise of subscription or conversion rights attached to the warrants or the convertible securities which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

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

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

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4B. “**THAT:**

- (a) subject to paragraph 4B(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 4A(d) above) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the memorandum and articles of association of the Company and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 4B(a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs 4B(a) and 4B(b) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly.”

4C. “**THAT** conditional upon the passing of the ordinary resolutions numbered 4A and 4B as set out in the notice convening this meeting being duly passed, the aggregate nominal amount of the shares in the issued capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 4B shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to and in accordance with the said resolution numbered 4A.”

5. “**THAT:**

subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new shares of the Company which may fall to be issued pursuant to the exercise of any options that may be granted under the new share option scheme of the Company (the rules of which are contained in the document marked “A” and the summary of which marked “B” produced to the meeting and signed by the chairman of the meeting for the purpose of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted; and the

NOTICE OF ANNUAL GENERAL MEETING

Board of Directors of the Company or persons authorised by it be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme and to grant options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;
- (iv) make application at appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

Yours faithfully,
By Order of the Board
BaWang International (Group) Holding Limited
CHEN Qiyuan
Chairman

Hong Kong, 28 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A form of proxy for the annual general meeting of the Company to be held on 29 May 2020 is enclosed.
- (2) Any member entitled to attend and vote at the annual general meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the annual general meeting of the Company. A proxy need not be a member of the Company.
- (3) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting of the Company or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting of the Company or any adjournment thereof should you so wish.
- (4) In case of joint holders of any Share, any one of such joint holders may vote at the annual general meeting of the Company, 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 are present at the meeting in person or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
- (5) The register of members of the Company will be closed from Saturday, 23 May 2020 to Friday, 29 May 2020, both days inclusive, during which period no transfer of Shares will be effected in order to determine the entitlement to attend and vote at the annual general meeting of the Company. All share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2020 for such purpose.
- (6) A circular containing, *inter alia*, details of the proposed general mandates to issue and repurchase shares of the Company, information of the retiring directors of the Company who are proposed to be re-elected at the annual general meeting and the proposed adoption of the New Share Option Scheme, will be despatched to the shareholders of the Company on 28 April 2020.
- (7) Members having any queries relating to the annual general meeting and/or its venue may call the Company's hotline at +86-20-8611-7888 during business hours from 9:00 a.m. to 5:30 p.m. Monday to Friday, excluding public holidays or send an email to ir@1338.hk.
- (8) As at the date of this notice, the Board comprises three executive Directors, namely, Mr. CHEN Qiyuan, Mr. CHEN Zheng He and Mr. WONG Sin Yung and three independent non-executive directors, namely, Dr. NGAI Wai Fung, Mr. CHEUNG Kin Wing and Dr. WANG Qi.