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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Jutal Offshore Oil Services Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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**JUTAL OFFSHORE OIL SERVICES LIMITED**

**巨濤海洋石油服務有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3303)**

**GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
TERMINATION OF THE 2016 SHARE OPTION SCHEME  
PROPOSED ADOPTION OF THE 2024 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Jutal Offshore Oil Services Limited to be held at the meeting room in Units 1102-3, 11th Floor, Nine Queen's Road Central, Hong Kong on Tuesday, 11 June 2024 at 11:00 a.m. is set out on pages 43 to 47 of this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular 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 AGM or any adjourned meeting thereof to the Company's share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. Completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person.

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## DEFINITIONS

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

|   |   |
|---|---|
| “2016 Share Option Scheme”              | the share option scheme adopted by the Company on 8 June 2016   |
| “2024 Share Option Scheme”              | the new share option scheme proposed to be adopted at the AGM, a summary of the principal terms of which is set out in Appendix II to this circular   |
| “Adoption Date”                         | the date on which the 2024 Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders   |
| “Annual General Meeting” or “AGM”       | the annual general meeting of the Company to be held at the meeting room in Units 1102–3, 11th Floor, Nine Queen’s Road Central, Hong Kong on Tuesday, 11 June 2024 at 11:00 a.m.; the notice of which is set out on pages 43 to 47 of this circular        |
| “Articles” or “Articles of Association” | the existing articles of association of the Company   |
| “Associates”                            | has the meanings ascribed to it under the Listing Rules   |
| “Board”                                 | the board of directors of the Company   |
| “Business Day”                          | a day on which the Stock Exchange is open for the business of trading in securities   |
| “close associate(s)”                    | has the meaning ascribed to it under the Listing Rules  |
| “Company”                               | Jutal Offshore Oil Services Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange   |
| “Condition Fulfilment Date”             | the date on which all the conditions precedent of the 2024 Share Option Scheme as specified in the paragraph headed “Conditions Precedent of the 2024 Share Option Scheme” in section 5 of the “Letter from the Board” of this circular have been fulfilled |
| “connected person(s)”                   | has the meaning ascribed to it under the Listing Rules  |
| “core connected person(s)”              | has the meaning ascribed to it under the Listing Rules  |

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## DEFINITIONS

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|---|--|
| “Director(s)”                               | the board of directors or directors of the Company   |
| “Eligible Participant(s)”                   | any Employee Participant and any Related Entity Participant  |
| “Employee Participant(s)”                   | the director(s) (including independent non-executive Director) and employee(s) of the Company or any of its subsidiaries (whether or not full time or part time and including persons who are granted Options under the 2024 Share Option Scheme as inducement to enter into employment or service contracts with these companies) who in the sole discretion of the Board has contributed or will contribute to the Group |
| “Grantee”                                   | any Eligible Participant who accepts the Offer in accordance with the terms of the 2024 Share Option Scheme  |
| “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 issue, allot and deal with additional Shares of the Company not exceeding 20% of the total nominal amount of the issued share capital of the Company as at date of passing Resolution No. 3A  |
| “Latest Practicable Date”                   | 10 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein  |
| “Listing Committee”                         | the listing sub-committee of the board of directors of the Stock Exchange  |
| “Listing Rules”                             | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Memorandum” or “Memorandum of Association” | the existing amended and restated memorandum of association of the Company   |
| “Notice”                                    | the notice convening the Annual General Meeting, which is set out on pages 43 to 47 of this circular   |

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## DEFINITIONS

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|                                    |  |
|------------------------------------|--|
| “Offer”                            | an offer of the grant of an Option made in accordance with the terms of the 2024 Share Option Scheme   |
| “Offer Date”                       | the date on which an Offer is made to an Eligible Participant  |
| “Option(s)”                        | an option to subscribe for Shares granted pursuant to the 2024 Share Option Scheme   |
| “Option Period”                    | in respect of any particular Option, the period to be determined and notified by the Board to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the 2024 Share Option Scheme |
| “PRC”                              | the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan   |
| “Related Entity Participant(s)”    | directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company   |
| “Repurchase Mandate”               | the general mandate proposed to be granted to the Directors to exercise the power 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 at the date of passing Resolution No. 3B   |
| “RMB”                              | Renminbi, the lawful currency of the PRC   |
| “Sanju HK”                         | Sanju Environmental Protection (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability   |
| “Scheme Mandate Limit”             | has the meaning given to it in the paragraph headed Maximum number of Shares subject to the 2024 Share Option Scheme” in section 5 of the “Letter from the Board” of this circular   |
| “Securities and Futures Ordinance” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Share(s)”                         | the share(s) of par value of HK\$0.01 each in the capital of the Company   |

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## DEFINITIONS

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|                  |   |
|------------------|---|
| “Shareholders”   | holders of Shares   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited                           |
| “Takeovers Code” | the Hong Kong Codes on Takeovers and Mergers and Share Repurchase |
| “%”              | per cent  |

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LETTER FROM THE BOARD

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**JUTAL**

**JUTAL OFFSHORE OIL SERVICES LIMITED**

**巨濤海洋石油服務有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3303)**

*Executive Directors:*

Mr. Wang Lishan (*Chairman*)  
Mr. Cao Yunsheng (*CEO and President*)  
Mr. Zhao Wuhui

*Independent Non-executive Directors:*

Ms. Choy So Yuk, *BBS, JP*  
Mr. Cheung Ngar Tat Eddie  
Mr. Tam Kin Yip  
Mr. Zhang Hua

*Registered Office:*

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

*Head Office and Principal*

*Place of Business:*  
1102-3, 11th Floor  
No. 9 Queen's Road Central  
Central  
Hong Kong

16 May 2024

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
TERMINATION OF THE 2016 SHARE OPTION SCHEME  
PROPOSED ADOPTION OF THE 2024 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM. These include:

- (i) the ordinary resolutions granting the Directors general mandates to issue new Shares;

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## LETTER FROM THE BOARD

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- (ii) the ordinary resolutions granting the Directors general mandates to repurchase Shares;
- (iii) extension of general mandate to issue Shares;
- (iv) re-election of Directors;
- (v) termination of the 2016 Share Option Scheme; and
- (vi) proposed adoption of the 2024 Share Option Scheme.

### **1. GENERAL MANDATE TO ISSUE SHARES**

At the AGM, an ordinary resolution, as set out as Resolution No. 3A, will be proposed for the Shareholders to consider and if, thought fit, to grant the Issue Mandate to the Directors to allot, issue and deal with Shares not exceeding 20% (426,319,677 Shares) of the issued Shares of the Company (2,131,598,389 Shares) at the date of passing of such resolution, that is, (assuming no further issue or repurchase of Shares before the AGM). The full text of the ordinary resolution to be proposed at the AGM in relation to the Issue Mandate is set out in Resolution No. 3A in the Notice.

The Issue Mandate to issue shares will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law 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.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution, as set out as Resolution No. 3B, will be proposed for the Shareholders to consider and if, thought fit, to grant the Repurchase Mandate to enable them to repurchase Shares subject to the criteria set out in this circular. Shareholders should note that the maximum number of Shares that may be repurchased will be 10% (213,159,838 Shares) of the issued Shares of the Company (2,131,598,389 Shares), as at the date of passing of such resolution. The full text of the ordinary resolution to be proposed at the AGM in relation to the Repurchase Mandate is set out in Resolution No. 3B in the Notice.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and as required pursuant to the Listing Rules is set out in the 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.



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## LETTER FROM THE BOARD

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### 3. EXTEND GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution, as set out as Resolution No. 4, will be proposed that the Issue Mandate will be extended by the addition to the number of the Shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate being approved provided that such extended amount will not exceed 10% of the issued Shares of the Company as at the date of the resolution approving the Issue Mandate. The full text of the ordinary resolution to be proposed at the AGM in relation to the Issue Mandate is set out in Resolution No. 3A in the Notice.

### 4. RE-ELECTION OF DIRECTORS

In relation to Resolution No. 2 in the Notice regarding re-election of Directors, Ms. Choy So Yuk and Mr. Tam Kin Yip will retire by rotation in accordance with Article 87 of the Articles of Association and being eligible, offer themselves for re-election at the AGM.

Mr. Zhao Wuhui and Mr. Zhang Hua, who were appointed as an executive Director and an independent non-executive Director respectively in accordance with Article 86 of the Articles of Association on 12 January 2024, will retire and, being eligible, offer themselves for re-election at the AGM.

Ms. Choy So Yuk, Mr. Tam Kin Yip and Mr. Zhang Hua, being the independent non-executive Directors eligible for re-election at the AGM, have made their annual confirmations of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that they meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. Under Resolution No. 2, the re-election of Directors will be individually voted on by the Shareholders.

Particulars of Directors proposed to be re-elected at the AGM are set out in the Appendix I of this circular.

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## LETTER FROM THE BOARD

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### 5. TERMINATION OF THE 2016 SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE 2024 SHARE OPTION SCHEME

#### Existing 2016 Share Option Scheme

The 2016 Share Option Scheme was adopted by the Shareholders' resolution passed at the Company's annual general meeting held on 8 June 2016 ("**2016 AGM**"), with a valid period of 10 years commencing on the said date of adoption, prior to the amendments to Chapter 17 of the Listing Rules has come into effect on 1 January 2023. In order to comply with such amendments, the Company proposes to terminate the 2016 Share Option Scheme and adopt the 2024 Share Option Scheme to replace the 2016 Share Option Scheme.

As at the Latest Practicable Date, the remaining life of the 2016 Share Option Scheme is less than approximately 3 years. Unless approval of the Shareholders has been obtained, the total number of Shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 80,035,427 Shares, representing 10% of the Shares (800,354,278 Shares) in issue on the date of passing of the said ordinary resolution for adoption of the 2016 Share Option Scheme.

The general scheme limit of the 2016 Share Option Scheme has been refreshed and approved by Shareholder's resolution at the Company's annual general meeting held on 8 June 2018 ("**2018 AGM**"). The total number of Shares which then may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 163,401,638 Shares, representing 10% of the Shares (1,634,016,389 Shares) in issue on the date of the 2018 AGM.

The general scheme limit of the Share Option Scheme has been further refreshed and approved by Shareholder's resolution at the Company's annual general meeting held on 27 May 2022 ("**2022 AGM**"). The total number of shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 168,130,638 shares, representing 10% of the shares (1,681,306,389 Shares) in issue on the date of 2023 AGM.

After the 2016 AGM, a total of 362,200,000 share options were granted under the 2016 Share Option Scheme, and the Company may, subject to the termination of the 2016 Share Option Scheme, issue an additional of 48,930,638 share options under the 2016 Share Option Scheme without exceeding scheme mandate limit. As at the Latest Practicable Date, the Company had 233,089,000 outstanding share options granted under the 2016 Share Option Scheme, which shall continue to be valid and exercisable during the prescribed exercisable period in accordance with the rules of the 2016 Share Option Scheme.

## LETTER FROM THE BOARD

The following table sets out the details of the Company's share options granted since the adoption of the 2016 Share Option Scheme on 8 June 2016 to the Latest Practicable Date:

*(i) After adoption of the 2016 Share Option Scheme on 8 June 2016 but before refreshment of the general scheme limit on 8 June 2018*

| Date of grant   | Grantees                                   | Number of options granted | Exercise Price (HK\$) | Number of options exercised | Number of options lapsed | Number of options cancelled | Number of outstanding options at the Latest Practicable Date |
|-----------------|--|---------------------------|-----------------------|-----------------------------|--------------------------|-----------------------------|--|
| 14 October 2016 | <i>Directors:</i>                          |                           |                       |                             |                          |                             |  |
|                 | Wang Lishan                                | 5,000,000                 | 0.68                  | 5,000,000                   | -                        | -                           | -  |
|                 | Cao Yunsheng                               | 8,000,000                 | 0.68                  | 8,000,000                   | -                        | -                           | -  |
| 9 January 2018  | <i>Directors:</i>                          |                           |                       |                             |                          |                             |  |
|                 | Wang Lishan                                | 2,300,000                 | 2.14                  | -                           | -                        | -                           | 2,300,000  |
|                 | Cao Yunsheng                               | 8,000,000                 | 2.14                  | -                           | -                        | -                           | 8,000,000  |
|                 | Liu Yunian (resigned on 12 January 2024)   | 1,500,000                 | 2.14                  | -                           | -                        | -                           | 1,500,000  |
|                 | Tang Hui (resigned on 10 April 2020)       | 1,500,000                 | 2.14                  | -                           | -                        | -                           | 1,500,000  |
|                 | Sergey Borovskiy (resigned on 8 June 2018) | 1,000,000                 | 2.14                  | -                           | 1,000,000                | -                           | -  |
|                 | Su Yang (resigned on 26 April 2022)        | 1,500,000                 | 2.14                  | -                           | 1,500,000                | -                           | -  |
|                 | Qi Daqing (resigned on 27 April 2022)      | 1,500,000                 | 2.14                  | -                           | 1,500,000                | -                           | -  |
|                 | Zheng Yimin (resigned on 3 June 2022)      | 1,500,000                 | 2.14                  | -                           | 1,500,000                | -                           | -  |
|                 | Other employees                            | 48,200,000                | 2.14                  | -                           | 31,300,000               | -                           | 16,900,000   |
| Total           |  | 80,000,000                |                       | 13,000,000                  | 36,800,000               | -                           | 30,200,000   |

## LETTER FROM THE BOARD

*(ii) After refreshment of the general scheme limit on 8 June 2018 but before refreshment of the general scheme limit on 27 May 2022*

| Date of grant | Grantees   | Number of<br>options<br>granted | Exercise<br>price<br>(HK\$) | Number of<br>options<br>exercised | Number of<br>options<br>lapsed | Number of<br>options<br>cancelled | Number of<br>outstanding<br>options at<br>the Latest<br>Practicable<br>Date |
|---------------|--|---------------------------------|-----------------------------|-----------------------------------|--------------------------------|-----------------------------------|---|
| 29 May 2019   | <i>A service supplier:</i><br>Hong Kong Zhixin<br>Financial News<br>Agency Limited | 15,000,000                      | 1.04                        | –                                 | 15,000,000                     | –                                 | –   |
| 24 April 2020 | <i>Directors:</i><br>Cao Yunsheng  | 2,000,000                       | 0.48                        | 1,160,000                         | 694,000                        | –                                 | 146,000   |
|               | Li Lin (resigned on<br>22 January 2021)  | 4,000,000                       | 0.48                        | –                                 | 4,000,000                      | –                                 | –   |
|               | Gao Zhiqiang (retired on<br>27 May 2022)   | 4,000,000                       | 0.48                        | –                                 | 4,000,000                      | –                                 | –   |
|               | Wang Ningsheng (retired<br>on 27 May 2022)   | 5,000,000                       | 0.48                        | –                                 | 5,000,000                      | –                                 | –   |
|               | Liu Yunian (resigned on<br>12 January 2024)  | 5,000,000                       | 0.48                        | 2,900,000                         | 1,735,000                      | –                                 | 365,000   |
|               | Su Yang (resigned on<br>26 April 2022)   | 2,000,000                       | 0.48                        | 1,160,000                         | 840,000                        | –                                 | –   |
|               | Qi Daqing (resigned on<br>27 April 2022)   | 2,000,000                       | 0.48                        | 1,306,000                         | 694,000                        | –                                 | –   |
|               | Zheng Yimin (resigned<br>on 3 June 2022)   | 2,000,000                       | 0.48                        | 1,306,000                         | 694,000                        | –                                 | –   |
|               | Other employees  | 22,000,000                      | 0.48                        | 12,750,000                        | 8,072,000                      | –                                 | 1,178,000   |
| 10 June 2021  | Employees  | 100,000,000                     | 1.50                        | –                                 | 18,000,000                     | –                                 | 82,000,000  |
| Total         |  | 163,000,000                     |                             | 20,582,000                        | 58,729,000                     | –                                 | 83,689,000  |

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## LETTER FROM THE BOARD

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*(iii) After refreshment of the general scheme limit on 27 May 2022*

| Date of grant   | Grantees                                    | Number of<br>options<br>granted | Exercise<br>price<br>(HK\$) | Number of<br>options<br>exercised | Number of<br>options<br>lapsed | Number of<br>options<br>cancelled | Number of<br>outstanding<br>options at<br>the Latest<br>Practicable<br>Date |
|-----------------|---|---------------------------------|-----------------------------|-----------------------------------|--------------------------------|-----------------------------------|---|
| 9 November 2023 | <i>Directors:</i>                           |                                 |                             |                                   |                                |                                   |   |
|                 | Cao Yunsheng                                | 18,000,000                      | 0.52                        | -                                 | -                              | -                                 | 18,000,000  |
|                 | Liu Yunian (resigned on<br>12 January 2024) | 8,000,000                       | 0.52                        | -                                 | -                              | -                                 | 8,000,000   |
|                 | Han Guimao (resigned<br>on 12 January 2024) | 1,800,000                       | 0.52                        | -                                 | -                              | -                                 | 1,800,000   |
|                 | Choy So Yuk                                 | 1,800,000                       | 0.52                        | -                                 | -                              | -                                 | 1,800,000   |
|                 | Cheung Ngar Tat Eddie                       | 1,800,000                       | 0.52                        | -                                 | -                              | -                                 | 1,800,000   |
|                 | Tam Kin Yip                                 | 1,800,000                       | 0.52                        | -                                 | -                              | -                                 | 1,800,000   |
|                 | Other employees                             | <u>86,000,000</u>               | 0.52                        | -                                 | -                              | -                                 | <u>86,000,000</u>   |
| Total           |   | <u>119,200,000</u>              |                             | <u>-</u>                          | <u>-</u>                       | <u>-</u>                          | <u>119,200,000</u>  |

Since the adoption of the 2016 Share Option Scheme and up to the Latest Practicable Date, 233,089,000 options which were granted but yet to be exercised were outstanding, representing approximately 10.93% of the total number of Shares in issue. Options granted prior to the termination of the 2016 Share Option Scheme shall continue to be valid and exercisable in accordance with the 2016 Share Option Scheme.

### **Adoption of the 2024 Share Option Scheme**

The Board proposes to adopt the 2024 Share Option Scheme. The Directors considered that the adoption of the 2024 Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting of the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

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## LETTER FROM THE BOARD

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### *Purpose of the 2024 Share Option Scheme*

The purpose of the 2024 Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants to:

- (i) recognise and/or reward their contributions or potential contribution to the Group and provide them with an opportunity to acquire a proprietary interest in the Company;
- (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group;
- (iii) provide additional incentives for such individuals to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate them to maximise the value of the Company for the benefit of both the selected Eligible Participants and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected Eligible Participants directly with those of the Shareholders through ownership of Shares.

The 2024 Share Option Scheme does not involve the grant of share award. The 2024 Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the 2024 Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

### *Eligible Participants*

Pursuant to the terms of the 2024 Share Option Scheme, Eligible Participants include the Employee Participants and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. The Board will take into consideration matters including:

- i. the Group's general financial condition; and
- ii. the Group's overall business objectives and future development plan.

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## LETTER FROM THE BOARD

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The Board will further take into consideration matters generally:

- i. with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment, length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- ii. with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group.

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees, the success of the Company may also come from the efforts and co-operation of non-employees (including Related Entity Participants) who play a part in the development and continued success of the Company's business and operations, and have contributed or may contribute to the Company in the future.

More specifically, the Board (including the independent non-executive Directors) is of the view that:

- i. the Group may from time to time require assistance and support from Related Entity Participants in projects or other business engagements relating to or having connections with the Group's businesses, given their close corporate and collaborative relationships with the Group. As such, the Company is of the view that it is important to recognise the contribution or future contribution of the Related Entity Participants by giving them incentive through their participation in the 2024 Share Option Scheme. In particular, for those Related Entity Participants in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2024 Share Option Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of Options in order to strengthen their loyalty with the Group even though they may

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## LETTER FROM THE BOARD

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not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entity Participants and the Group; and

- ii. the criteria for the selection of eligible Related Entity Participants align with the purpose of the 2024 Share Option Scheme. As the eligibility of Related Entity Participants shall be determined by the Board based on their contribution to the development and growth of the Group, the independent non-executive Directors are of the view that an Offer would only be made by the Company to those Related Entity Participants who have contributed or will contribute to the development of the Group. The Board also has the discretion to impose different terms and conditions (including but not limited to vesting conditions such as vesting requirements, performance targets, and clawback provisions) on Options to be granted to Related Entity Participants, which allows the Board greater flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which in turn would place the Group in a better position to assess the contribution of Related Entity Participants and align with the purpose of the 2024 Share Option Scheme.

Recognising the contribution of Related Entity Participants may enhance their performance and further contribution to the Company which are essential to the sustainable and successful development of the Company, the Board (including the Independent non-executive Directors) is of the view that the inclusion of Related Entity Participants as Eligible Participants, the proposed categories, as well as the assessment criteria and the terms of grant for the Related Entity Participants are in line with the purpose of the 2024 Share Option Scheme, the Company's business needs and the industry norm. The Directors (including the Independent non-executive Directors) also consider that it is desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group and it is in the interest of the Company and the Shareholders as a whole to include the Related Entity Participant as Eligible Participants since the grant of Options will align their interests with the Group's, providing incentives to encourage the Related Entity Participants to continue collaborating with the Group on a long-term basis.

Based on the above, the Board (including the Independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants as Eligible Participants are in line with the Company's business needs of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, since it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for selection of Related Entity Participants as set out in paragraph 2 of the Appendix II to this circular and the terms and conditions on Options granted to them, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the 2024 Share Option Scheme to be achieved.

As at the Latest Practicable Date, the Company has no concrete plan to grant Options under the 2024 Share Option Scheme.



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## LETTER FROM THE BOARD

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### *Conditions Precedent of the 2024 Share Option Scheme*

The adoption of the 2024 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at the AGM approving the termination of the 2016 Share Option Scheme;
- (b) the passing of an ordinary resolution at the AGM approving the adoption of the 2024 Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the 2024 Share Option Scheme;
- (c) the Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the 2024 Share Option Scheme.

### *Application for Listing*

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the 2024 Share Option Scheme.

### *Purchase Price*

No purchase price is payable by any Eligible Participant upon acceptance of options to be granted under the 2024 Share Option Scheme.

### *Maximum number of Shares subject to the 2024 Share Option Scheme*

The total number of Shares which may be issued upon the exercise of all options which may be granted under the 2024 Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Scheme Mandate Limit**”) must not exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

As at the Latest Practicable Date, the number of issued Shares was 2,131,598,389 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all options to be granted under the 2024 Share Option Scheme together with all options and awards which may be granted under any other share option scheme(s) and share award scheme(s) for the time being of the Company would be 213,159,838

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## LETTER FROM THE BOARD

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Shares, representing approximately 10% of the total number of Shares in issue as at the Adoption Date.

As at the Latest Practicable Date, none of the Directors is and will be trustee of the 2024 Share Option Scheme nor has a direct or indirect interest in the trustee. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the 2024 Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the termination of the 2016 Share Option Scheme and the adoption of the 2024 Share Option Scheme at the AGM. The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2024 Share Option Scheme.

### *Explanation of the terms of the 2024 Share Option Scheme*

A summary of the principal terms of the 2024 Share Option Scheme is set out in Appendix II to this circular. This serves as a summary of the terms of the 2024 Share Option Scheme but does not constitute the full terms of the same. The exercise price of the Options granted under the 2024 Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the 2024 Share Option Scheme, and the Board may specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the 2024 Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the 2024 Share Option Scheme.

Save for the circumstances prescribed in paragraph 4 of Appendix II to this circular, the vesting period for Options under the 2024 Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of this 2024 Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Options holder(s), such as those set out in paragraphs 4(a) to (e) of Appendix II to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 4 of Appendix II to this circular is appropriate and aligns with the purpose of the 2024 Share Option Scheme. Pursuant to the Note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the

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## LETTER FROM THE BOARD

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prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the 2024 Share Option Scheme proposed to be adopted. The Company understands that while the 2024 Share Option Scheme is not restricted to executives and employees of the Group, the adoption thereof would not constitute an offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Company will comply with the relevant requirements when granting Options to the Eligible Participants.

It is believed that subject to Listing Rules and the rules of the 2024 Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the exercise price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company. The Company will make relevant disclosure by way of announcement(s) to comply with Rules 17.06B(7) and (8) of the Listing Rules when granting the Options to the Eligible Participants in the future.

### *Performance target and clawback mechanism*

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised. The Board considers that it is not practicable to expressly set out a generic set of performance targets in the 2024 Share Option Scheme, as each Grantee will play different roles and contribute in different ways to the Group. The remuneration committee of the Company considers it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed upon the grant of Options, the Board will have regard to the purpose of the 2024 Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, cash flow, earnings, earnings per share, market value or economic value added, profits, return on assets, return on equity, return on investment, sales, revenue, share price, total shareholder return, customer satisfaction metrics, operating results and such other goal as the Board may determine from time to time.

The Group will utilise its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards to the future value that such Eligible Participant may bring to the growth and development of the Group. For

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## LETTER FROM THE BOARD

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Employees Participants, the assessment involves the consideration and appraisal of the Employee Participant's expected contribution with reference to such Employee Participant's nature of duties (e.g. whether in a management role, a sales role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Employee Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and the Shareholders as a whole. The management will propose the performance targets of each Employee Participant in each grant of Options to the Board (or, in case the Grantee is a director or senior manager of the Company, the remuneration committee of the Company) for consideration, who will then assess the reasonableness and suitability of such performance targets.

The remuneration committee of the Company is of the view that the 2024 Share Option Scheme will provide the Board with flexibility in setting the performance targets which are the most appropriate taking into account the individual circumstances of the relevant Eligible Participants and therefore can facilitate the Company's aim to offer meaningful incentive to the Eligible Participants to contribute and work better for the long-term growth and profitability of the Group, and hence aligns with the purpose of the 2024 Share Option Scheme.

The Board may provide in the notice of Offer that any Option may be subject to clawback in the event of serious misconduct, a material misstatement in the Company's financial statements and/or the occurrence of any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

In the event any Option that are clawed back pursuant to the terms of the 2024 Share Option Scheme, such Option will be deemed to be lapsed and shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

### ***Value of the Options***

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the 2024 Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Option Price and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and indeed might be misleading to the Shareholders.

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## LETTER FROM THE BOARD

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### 6. ANNUAL GENERAL MEETING

The Notice of the AGM is set out on pages 43 to 47 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of Issue Mandate, granting of Repurchase Mandate, extension of the Issued Mandate, re-election of Directors, termination of the 2016 Share Option Scheme and proposed adoption of the 2024 Share Option Scheme.

A form of proxy for the AGM is enclosed with this circular. If you do not intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's Share Registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM or any adjourned meeting thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, save as disclosed above, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

### 7. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, except where the chairman of the meeting, 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, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

### 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 (including the Independent non-executive Directors) consider and believe that the proposals mentioned above, including the proposals for the grant of the Issue Mandate, the Repurchase Mandate, extension of the Issue Mandate, re-election of Directors, termination of the 2016 share option scheme and proposed adoption of the 2024 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 all these resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### 10. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I (Explanatory Statement) and Appendix II (Summary of Principal Terms of the 2024 Share Option Scheme to this circular.

Yours faithfully,  
By Order of the Board  
**Jutal Offshore Oil Services Limited**  
**Wang Lishan**  
*Chairman*

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

## **1. EXERCISE OF THE REPURCHASE MANDATE**

It is proposed that up to 10% of the issued Shares of the Company at the date of the passing of the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the total number of issued Shares was 2,131,598,389. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares would be issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 213,159,838 Shares (being 10% of the Shares in issue) during the period up to (a) the conclusion of 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 law or its Articles of Association to be held or (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in 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 Repurchase 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 assets value of the Company and/or earnings per Share.

## **3. GENERAL**

As compared with the financial position of the Company as at 31 December 2023 (being the date of its latest published audited accounts), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. The Directors confirm that no purchase 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 its Memorandum and Articles of Association and the applicable laws of the Cayman Islands to purchase its Shares. The Cayman Islands law provides 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 Cayman Islands law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced so that the shares may be subsequently re-issued.

## **5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the Associates of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person of the Company (as defined in the Listing Rules) 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 power of the Company to make repurchases 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 Articles of Association of the Company.

## **7. EFFECT OF TAKEOVERS CODE**

If as a result of a share repurchase exercised pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Sanju HK is interested in 641,566,556 Shares (representing approximately 30.10% of the issued share capital of the Company as at the Latest Practicable Date), and, Cheung Hing Investments Limited, which is wholly owned by Mr. Wang Lishan, is interested in 396,911,278 Shares (representing approximately 18.62% of the issued share capital of the Company as at the Latest Practicable Date) and Mr. Wang Lishan is also personally interested in 17,628,000 Shares and 2,300,000 arising from share options granted to him under the share option schemes of the Company. As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. Wang Lishan, the executive Director, is interested or deemed to be interested in 416,839,278 Shares (representing approximately 19.56% of the issued share capital of the Company). In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the Resolution No. 3B to be proposed at the AGM and assuming that no further Shares are issued or repurchased prior to the AGM, then the shareholding of Sanju HK in the Company would be increased to approximately 33.44% of the issued share capital of the Company, whilst



the respective shareholding of Cheung Hing Investments Limited and Mr. Wang Lishan, in the Company would be increased to approximately 20.69% and approximately 21.73% of the issued share capital of the Company. Such increase in shareholdings may give rise to an obligation over Sanju HK to make a mandatory general offer under Rule 26 of the Takeovers Code but would not give rise to such obligation over Cheung Hing Investments Limited or Mr. Wang Lishan. The Directors are not aware of any consequences which may give rise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate or may result in the number of Shares in the hands of public falling below the minimum prescribed percentage of 25% as required by the Listing Rules.

However, as at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent as would result in obligations under the Takeovers Code.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

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

## 9. SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date, were as follows:

|   | Shares                |                      |
|---|-----------------------|----------------------|
|   | Highest Price<br>HK\$ | Lowest Price<br>HK\$ |
| <b>2023</b>                             |                       |                      |
| April                                   | 0.55                  | 0.405                |
| May                                     | 0.495                 | 0.43                 |
| June                                    | 0.50                  | 0.41                 |
| July                                    | 0.62                  | 0.46                 |
| August                                  | 0.60                  | 0.50                 |
| September                               | 0.55                  | 0.51                 |
| October                                 | 0.53                  | 0.47                 |
| November                                | 0.57                  | 0.47                 |
| December                                | 0.58                  | 0.46                 |
| <b>2024</b>                             |                       |                      |
| January                                 | 0.59                  | 0.49                 |
| February                                | 0.53                  | 0.455                |
| March                                   | 0.59                  | 0.495                |
| April                                   | 0.77                  | 0.485                |
| May (up to the Latest Practicable Date) | 0.75                  | 0.65                 |

## 10. PARTICULARS OF THE DIRECTORS

The following are the particulars of the Directors to be retired and proposed to be re-elected at the AGM:

### **Mr. Zhao Wuhui (趙武會), Executive Director**

Mr. Zhao Wuhui (趙武會), aged 49, is an executive director and vice president of the Company. Mr. Zhao graduated from Northeast Forestry University (東北林業大學) with a bachelor's degree in accounting in 1998, and obtained a MBA degree from the University of Wales in 2009. He joined the Group in March 2002, had served as finance manager and vice president of the Group, and had been an executive director of the Company from 25 May 2012 to 1 March 2016. Mr. Zhao currently also serves as director or supervisor of several subsidiaries of the Group. Prior to joining the Group, he had worked with Kerry Oils & Grains (China) Co., Ltd.\* (嘉里糧油(中國)有限公司) and Everbright Timber Industry (Shenzhen) Co., Ltd.\* (光大木材工業(深圳)有限公司) as accountant and auditor. Mr. Zhao was appointed as an executive director of the Company in January 2024.

Mr. Zhao has entered into a service agreement with the Company for a term of 3 years which is renewable subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Zhao's current remuneration is HK\$70,000 per month and discretionary bonus. The remuneration payable to him will be determined by the Directors pursuant to the authority granted by the Shareholders at the AGM with reference to his duties and responsibilities and the prevailing market conditions. As at the Latest Practicable Date, as advised by Mr. Zhao, he is interested in 16,156,000 shares of the Company arising from share options granted to him under the share option scheme of the Company, thus Mr. Zhao is interested or deemed to be interested in 16,156,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as advised by Mr. Zhao, he does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

As advised by Mr. Zhao, save as disclosed in this circular, he has no relationship with any Directors or the senior management of the Company, or with any substantial Shareholders, and he did not hold any directorships in any other listed public companies in the last three years.

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

**Ms. Choy So Yuk (蔡素玉), BBS, JP, Independent Non-Executive Director**

Ms. Choy So Yuk (蔡素玉), *B.B.S., J.P.*, aged 73, is an independent non-executive director of the Company, Ms. Choy obtained her Bachelor of Science and Master of Philosophy degrees from the University of Hong Kong in 1974 and 1980 respectively and was a deputy of the 11th, 12th and 13th National People's Congress of the People's Republic of China. She was a member of the Legislative Council of Hong Kong from 1998 to 2008, was appointed the Justice of the Peace in 2005 and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administration Region, the People's Republic of China in 2013. Ms. Choy is currently an independent non-executive director of Best Mart 360 Holdings Limited (Hong Kong stock code: 2360). She was also an independent non-executive director of Silk Road Logistics Holdings Limited (Hong Kong stock code:988) from 5 June 2009 to 11 September 2023, and Evershine Group Holdings Limited (Hong Kong Stock Code: 8022) from 12 May 2015 to 12 January 2021. Ms. Choy was appointed as an independent non-executive director of the Company in June 2022.

Ms. Choy has entered into an appointment letter with the Company for a term of three years which is renewable subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Ms. Choy's current remuneration is RMB20,000 per month. The Director's fee payable to Ms. Choy will be determined by the Directors pursuant to the authority granted by the Shareholders at the AGM. As at the Latest Practicable Date, as advised by Ms. Choy, she is interests in 1,800,000 arising from share options granted to him under the share option scheme of the Company, thus Ms. Choy is interested or deemed to be interested in 1,800,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as advised by Ms. Choy, she does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

As advised by Ms. Choy, she has no relationship with any Director or the senior management of the Company, or with any substantial Shareholder or controlling Shareholder.

Ms. Choy has not held any position with the Company or any of its subsidiaries. As advised by Ms. Choy, save as disclosed in her biography above, she did not hold any directorships in any other listed public companies in the last three years.

Save as disclosed in this circular, Ms. Choy has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her election, nor is there any further information required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

**Mr. Tam Kin Yip (譚健業), Independent Non-Executive Director**

Mr. Tam Kin Yip (譚健業), aged 49, is an independent non-executive director of the Company. He is a practicing Barrister-At-Law in Hong Kong and has rich experience in litigation. Mr. Tam was an independent non-executive director of Shunten International (Holdings) Limited (順騰國際(控股)有限公司) (Hong Kong Stock Code: 932) since 7 March 2017 to 1 September 2022. Mr. Tam was appointed as an independent non-executive director of the Company in August 2021.

Mr. Tam has entered into an appointment letter with the Company for a term of three years which is renewable subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Mr. Tam's current remuneration is RMB20,000 per month. The Director's fee payable to Mr. Tam will be determined by the Directors pursuant to the authority granted by the Shareholders at the AGM. As at the Latest Practicable Date, as advised by Mr. Tam, he is interested in 1,800,000 arising from share options granted to him under the share option scheme of the Company, thus Mr. Tam is interested or deemed to be interested in 1,800,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as advised by Mr. Tam, he does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

As advised by Mr. Tam, he has no relationship with any Director or the senior management of the Company, or with any substantial Shareholder or controlling Shareholder.

Mr. Tam has not held any position with the Company or any of its subsidiaries. As advised by Mr. Tam, save as disclosed in his biography above, he did not hold any directorships in any other listed public companies in the last three years.

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

**Mr. Zhang Hua (張華), Independent Non-Executive Director**

Mr. Zhang Hua (張華), aged 61, is an independent non-executive director of the Company. Mr. Zhang is a professor in the Department of Finance and the Director of M.Sc. Program in Finance (Part-time) in The Chinese University of Hong Kong, and has extensive experience in executive training. His main research interests are in investments, capital markets, corporate finance and fixed income and derivative securities. Mr. Zhang obtained a bachelor degree in engineering from Tianjin University, and a master degree in business administration and a Ph.D. degree in Finance from McGill University. He had served as an independent non-executive director of Momentum Financial Holdings Limited (1152.HK) from September 2017 to June 2020, and serves as an independent non-executive director and a member of audit committee of Sinomedia Holding Limited (0623.HK). Mr. Zhang was appointed as an independent non-executive director of the Company in January 2024.

Mr. Zhang has entered into an appointment letter with the Company for a term of three years which is renewable subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Mr. Zhang's current remuneration is RMB20,000 per month. The Director's fee payable to Mr. Zhang will be determined by the Directors pursuant to the authority granted by the Shareholders at the AGM. As at the Latest Practicable Date, as advised by Mr. Zhang, he does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

As advised by Mr. Zhang, he has no relationship with any Director or the senior management of the Company, or with any substantial Shareholder or controlling Shareholder.

Mr. Zhang has not held any position with the Company or any of its subsidiaries. As advised by Mr. Zhang, save as disclosed in his biography above, he did not hold any directorships in any other listed public companies in the last three years.

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

The nomination committee of the Company has considered, including but not limited to, the professional knowledge and industry experience, education background, personal ethics, available time and diversification, etc., to provide recommendation suggestions to the Board for the election of Ms. Choy So Yuk, Mr. Tam Kin Yip and Mr. Zhang Hua as independent non-executive Directors. The Board believes that they have rich social and professional experience, and can bring their personal views, skills and experience to the Board. They can devote sufficient time to the affairs of the Company to effectively perform their duties as Directors and comply with the standards concerning the independence of director in the Listing Rules.

\* *For identification purposes only*

*The following is a summary of the principal terms of the 2024 Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the 2024 Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the 2024 Share Option Scheme:*

## **1. PURPOSE**

The purpose of the 2024 Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants to:

- (i) recognise and/or reward their contributions or potential contribution to the Group and provide them with an opportunity to acquire a proprietary interest in the Company;
- (ii) give incentives to such individuals in order to encourage and retain them for the continual operation and development of the Group;
- (iii) provide additional incentives for such individuals to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate them to maximise the value of the Company for the benefit of both the selected Eligible Participants and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected Eligible Participants directly with those of the Shareholders through ownership of Shares.

## **2. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE 2024 SHARE OPTION SCHEME**

Eligible Participants include the Employee Participants and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- i. with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment, length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- ii. with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent

of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group.

### 3. GRANT OF OPTIONS

On and subject to the terms of the 2024 Share Option Scheme, the Board shall at its absolute discretion be entitled to make an Offer to any Eligible Participant by letter in such form as the Board may from time to time determine, specifying the number of Shares under the Option, the Subscription Price and the Option Period in respect of which an Offer is made and requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the 2024 Share Option Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days from the Offer Date provided that no such offer shall be open for acceptance after the expiry of the effective period of the 2024 Share Option Scheme (i.e. a period of 10 years commencing on the Adoption Date) or after the 2024 Share Option Scheme has been terminated in accordance with the provisions hereof. An Offer may not be accepted unless the Eligible Participant remains an eligible person on acceptance.

An Offer shall be deemed to have been granted to (subject to certain restrictions in the 2024 Share Option Scheme), and accepted by, the Eligible Participant and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Option duly signed by the Grantee is received by the Company. No purchase price is payable by any Eligible Participant upon acceptance of options to be granted under the 2024 Share Option Scheme.

Any Offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered. To the extent that the Offer of the grant of an Option is not accepted on or before the last day for acceptance as defined by the Board in the manner indicated in the 2024 Share Option Scheme, it will be deemed to have been irrevocably rejected by the Eligible Participant and the Offer shall lapse and become null and void.

No Offer may be made after any inside information (as defined in the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”)) in relation to the securities of the Company has occurred or inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been announced in accordance with the requirements of the Listing Rules and the SFO. In particular, no Option may be granted during the period of one month immediately preceding the earlier of:

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

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

#### **4. VESTING PERIOD**

The vesting period for Options shall not be less than 12 months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;



- (d) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; and
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

each of which are considered appropriate to provide flexibility to grant Options (i) as part of competitive terms and conditions to induce valuable talent to join the Group (subparagraphs (a) and (d)); (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (b) and (c)); (iii) reward exceptional performers with accelerated vesting (sub-paragraph (d)); and (iv) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (e)).

The Board considers the above specific circumstances aligns with the purpose of the 2024 Share Option Scheme and are considered to be appropriate for providing flexibility to grant Options taking into consideration the specific circumstances under: (i) sub-paragraph (a) forms part of competitive terms and conditions to induce valuable talent to join and retain with the Group; (ii) sub-paragraph (b) recognises the contribution of and provides remuneration to former employees of the Group; (iii) sub- paragraph (c) ensures the Group's compliance with the requirements of the Listing Rules; (iv) sub-paragraph (d) rewards exceptional performers with accelerated vesting; and (v) sub-paragraph (e) provides motivation to exceptional performers based on performance metrics rather than time.

Further, the remuneration committee of the Company is of the view that the grant of Options to directors and senior managers of the Company aligns with the purpose of the 2024 Share Option Scheme to recognize their contribution to the growth and development of the Group since they are involved in the day-to-day management or business of the Group. The grant of Options to directors and senior managers also enables the Group to retain quality personnel that are valuable to the development of the Group and motivate them to contribute to the Group on a long-term basis.

## **5. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES**

An Option may be exercised in whole or in part by giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the auditors' certificate or the confirmation of the financial adviser (as the case may be), the Company shall issue and allot the relevant Shares, fully paid, to the Grantee.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the 2024 Share Option Scheme or under the relevant laws or the memorandum and articles of association of the Company in effect from time to time.

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue from the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

The Subscription Price shall, subject to any adjustments made pursuant to paragraph 17 below, be determined at the discretion of the Board at its absolute discretion, provided that it must be at least the higher of:

- (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares on the Offer Date.

## 6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The total number of Shares which may be issued upon the exercise of all options to be granted under the 2024 Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit in accordance with this paragraph.

For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date), provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit;
- (b) for the purpose of calculating the Scheme Mandate Limit, options or awards lapsed will not be regarded as utilised and options or awards cancelled will be regarded as utilised; and
- (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing among others, the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

Any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:

- (a) any Controlling Shareholder and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (b) the Company must comply with the requirements under Rules 17.47(6) and 17.47(7) and Rules 17.47A, 17.47B and 17.47C of the Listing Rules; and
- (c) the requirements under sub-paragraphs (a) and (b) of the 2024 Share Option Scheme do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 17.41(1) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.

The Company may seek separate approval from the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

- (a) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and

- (b) circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the 2024 Share Option Scheme and all other share schemes of the Company under the unutilised Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

Unless approved by the Shareholders in the manner set out in the 2024 Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participants (including both exercised and outstanding Options) in any 12-month period must not exceed 1 per cent. of the Shares in issue.

#### **7. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES**

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

Where any grant of Options to an independent non-executive Director or a substantial Shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the 2024 Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of options or awards must be approved by Shareholders of the listed issuer in general meeting in the manner set out in the Listing Rules. The Company must send a circular containing the details of the grant to the Shareholders in a manner complying with, and containing, among others, (i) details of the number and terms of the options or awards to be granted to each Grantee, which must be fixed before the Shareholders' meeting, in respect of any options to be granted; (ii) the date of the board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price; and (iii) recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Option) to the Independent Shareholders as to voting as prescribed by the Listing Rules. The Grantee, his/her associates and all core connected persons must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in the Listing Rules.

**8. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) under the 2024 Share Option Scheme in any 12-month period up to date of grant must not exceed 1% of the relevant class of the Shares in issue. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval. In such event, the Company must send a circular to the Shareholders containing the identity of the Eligible Participant, the number and terms of Options to be granted (and options previously granted to such person), the purpose of granting Options and awards to the Eligible Participant, an explanation as to how the terms of the Options or awards serve such purpose and all other information required under the Listing Rules.

**9. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the 2024 Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the 2024 Share Option Scheme.

**10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

No Option shall be granted by the Board:

- (1) after inside information has come to its knowledge until it has been announced by the Company pursuant to the requirements of the Listing Rules; and
- (2) during the period commencing from one (1) month immediately preceding the earlier of:
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to publish its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements.

#### **11. RIGHTS ARE PERSONAL TO GRANTEES**

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.

#### **12. RIGHTS ON CEASING EMPLOYMENT, DEATH OR DISMISSAL**

Subject to the terms of the 2024 Share Option Scheme, where the Grantee ceases to be an Eligible Participant for any reason except for sub-paragraphs (a) to (c) below, Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option (to the extent vested and not already exercised) shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Company, any subsidiary or any Related Entity, his/her last actual working day at his/her work place with the Company, any subsidiary or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Company, any subsidiary or any Related Entity, the date on which his/her relationship with the Group which has constituted him an Eligible Participant ceases.

- (a) where the Grantee ceases to be an Eligible Participant for any reason other than on his or her death or the termination of his or her employment on the grounds that he or she has been guilty of fraud, gross negligence or persistent or serious or wilful misconduct, or has been in breach of a material term of the relevant employment contract, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, then the Grantee may exercise (to the extent vested and not already exercised) in full or at all the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to relevant provisions of the 2024 Share Option Scheme by his/her personal representative within 3 months following the date of cessation of the employment;

- (b) where the Grantee is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Option in full or at all, the Option (to the extent vested and not already exercised) may continue to be exercised by the Grantee; and
- (c) where the Grantee dies before exercising the Option (to the extent vested and not already exercised) in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to relevant provisions of the 2024 Share Option Scheme by his/her personal representatives within 12 months of the date of death.

### **13. RIGHTS ON A GENERAL OFFER**

If a general offer by way of a take-over is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his/her personal representatives) may exercise the Option (to the extent vested and not already exercised) to its full extent or to the extent specified in such notice.

### **14. RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up of the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee shall be entitled to exercise all or any of his Options (to the extent vested and not already exercised) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. The allotted Shares will rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind up of the Company to participate in the distribution of assets of the Company available in liquidation.

### **15. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and the Shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the Grantee on the same day as it gives notice of the meeting to the Shareholders or creditors to consider the compromise or arrangement. The Grantee (or his or her legal personal

representatives) may by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of the relevant Option (such notice to be received by the Company not later than four Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and in any event no later than the Business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and register the Grantee as holder thereof. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had the Company not been subject to such compromise or arrangement.

## **16. CANCELLATION OF OPTIONS**

Subject to the terms of the 2024 Share Option Scheme and prior approval of the Directors, any Option granted but not exercised may be cancelled if the Grantee so agrees. Where the Company cancels Options or awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under a scheme with available Scheme Mandate Limit.

## **17. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Option becomes or remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Option granted under the 2024 Share Option Scheme so far as unexercised; or
- (b) the Subscription Prices of any unexercised Option.

As the auditors or the financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules (or any guideline or supplementary guidance as may be issued by the Stock Exchange from time to time), provided that any alteration shall give a Grantee as near as possible the same proportion of the issued share capital of the Company as (but in any event shall not be greater than) that to which he was previously entitled and any such adjustments shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than, except upon any consolidation of the Shares pursuant to this Clause 17) it was before such event, but no



adjustment shall be made to the effect of which would be to enable a share to be issued at less than its nominal value, provided that no adjustments to the Subscription Price and the number of Share(s) should be made to the advantage of the Eligible Participants without specific prior approval of the Shareholders.

#### **18. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue from the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

#### **19. DURATION OF THE 2024 SHARE OPTION SCHEME**

The 2024 Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the 2024 Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

#### **20. ALTERATIONS TO THE TERMS OF THE 2024 SHARE OPTION SCHEME**

The 2024 Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the 2024 Share Option Scheme which are of a material nature or alters to the advantage of the Grantees of the Options relating to matters governed by Rule 17.03 of the Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting, and, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees as would be required of the Shareholders under the Articles of Association of the Company for a variation of the rights attached to the Shares.

Any alteration to any terms and conditions of the 2024 Share Option Scheme which are of a material nature or any change to the authority of the Board in respect of alteration of the 2024 Share Option Scheme must be approved by Shareholders in general meeting. Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration

committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2024 Share Option Scheme.

Notwithstanding anything to the contrary contained herein, the Board may at any time alter or modify the 2024 Share Option Scheme in any way to the extent necessary to cause the 2024 Share Option Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any amendment to any terms of the 2024 Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

## **21. CONDITIONS OF THE 2024 SHARE OPTION SCHEME**

The 2024 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at a general meeting of the Company to adopt the 2024 Share Option Scheme;
- (b) the passing of an ordinary resolution at a general meeting of the Company to terminate the 2016 Share Option Scheme; and
- (c) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2024 Share Option Scheme.

## **22. PERFORMANCE TARGET AND CLAWBACK MECHANISM**

The 2024 Share Option Scheme does not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of the 2024 Share Option Scheme will give the Board absolute discretion to impose specific performance targets on the Options where appropriate.

The performance target, if any, shall be assessed in accordance with one or more of the following performance measure(s) (the “**Performance Measure(s)**”), or derivations of such Performance Measure(s) that may be related to the individual Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Related Entity Participant including but not limited to: cash flow, earnings, earnings per share, market value or economic value added, profits, return on assets, return on equity, return on investment, sales, revenue, share price, total shareholder return, customer satisfaction metrics, operating results and such other goal as the Board may determine from time to time.

Each performance target may be assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Board (or, in case the Grantee is a director or senior manager of the Company, the remuneration committee of the Board) in its sole discretion.

Notwithstanding the terms and conditions of the 2024 Share Option Scheme, the Board may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback if any of the following events shall occur during an Option Period:

- (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement;
- (ii) the Grantee being guilty of fraud, gross negligence or persistent or serious or wilful misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; and
- (iii) if the grant or exercise of any Option is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

In the event of any of the circumstances mentioned in the preceding paragraph, the Board may (but is not obliged to) by notice in writing to the Grantee concerned (a) claw back such number of the Options (to the extent not being exercised) granted as the Board may consider appropriate; or (b) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Board may consider appropriate. The Options that are clawed back pursuant to the above shall be deemed to be lapsed and shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

### **23. LAPSE OF OPTIONS**

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

- (a) the expiry of the Option Period;
- (b) the expire of any of the relevant periods or occurrence of the relevant event referred to in paragraphs 12 to 15 above;
- (c) the date of the commencement of the winding-up of the Company;

- (d) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment on any one or more of the following grounds: (i) that he/she has been guilty of misconduct; (ii) that he/she has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; (iii) that he/she has been convicted of a criminal offence involving his integrity or honesty or (iv) any misconduct based on the sole and absolute option of the Company;
  
- (e) the date on which the Grantee commits a breach of paragraph 12 above.

#### **24. TERMINATION**

The Company may at any time terminate the operation of the 2024 Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting and in such event no further Options will be offered or granted but the provisions of the 2024 Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise or may be required in accordance with the provisions of the 2024 Share Option Scheme. All Options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the 2024 Share Option Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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# JUTAL

## JUTAL OFFSHORE OIL SERVICES LIMITED

巨濤海洋石油服務有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3303)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the “AGM”) of the shareholders of Jutal Offshore Oil Services Limited (the “Company”) will be held at the meeting room in Units 1102–3, 11th Floor, Nine Queen’s Road Central, Hong Kong on Tuesday, 11 June 2024 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of directors and auditors of the Company for the year ended 31 December 2023.
2. To re-elect directors and authorise the board of directors of the Company to fix their remuneration.
3. As special business, to consider and, if thought fit, to pass the following as ordinary resolutions:
  - A. “**THAT**
    - (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all powers to allot, issue and deal with the additional shares in the capital of the Company, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
    - (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate number of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to: (i) a Rights Issue (as defined below); (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate number of the issued shares of the Company as at the date of this Resolution and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law 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 or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

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## NOTICE OF ANNUAL GENERAL MEETING

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**B. “THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
  - (b) the aggregate number of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law 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.”
4. As special business, to consider and, if thought fit, to pass the following as ordinary resolution:
- “**THAT** conditional upon Resolutions Nos. 3A and 3B being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 3B shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 3A above.”
5. To re-appoint Grant Thornton Hong Kong Limited as the auditor of the Company and authorise the board of Directors of the Company to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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

**“THAT**

- (a) subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the 2024 Share Option Scheme of the Company (the “**2024 Share Option Scheme**”), the rules of which have been produced to the AGM and marked “A” and initialed by the chairman of the AGM for identification purpose and (ii) Resolution No. 7 being passed,
- (aa) the 2024 Share Option Scheme be and is hereby approved and adopted and that any one of the Directors of the Company be and are hereby authorised to grant options to allot, issue and deal in the Shares as maybe required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the 2024 Share Option Scheme;
- (bb) the total number of Shares to be allotted and issued pursuant to (aa) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the total number of the Shares in issue as at the date of passing of this resolution be and is hereby approved.”

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

**“THAT** conditional upon Resolution No. 6 being passed, the 2024 Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 8 June 2016 (the “**2016 Share Option Scheme**”) be and is hereby terminated upon the 2024 Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the 2016 Share Option Scheme prior to the date of the passing of this resolution).”

By Order of the Board  
**Jutal Offshore Oil Services Limited**  
**Wang Lishan**  
*Chairman*

Hong Kong, 16 May 2024



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) Any member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxies must be deposited with the Company's share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not less than 48 hours before the time appointed for the AGM.
- (2) In the case of joint holders of a Share, any one of such joint holders may vote, 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 AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) The Register of Members will be closed from Wednesday, 5 June 2024 to Tuesday, 11 June 2024 (both days inclusive). In order to be qualified for attending to vote during the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on 4 June 2024.
- (4) For the details of the Directors proposed to be re-elected at the AGM, please refer to the circular of the Company dated 16 May 2024.
- (5) If Typhoon Signal No. 8 or above, or extreme conditions caused by super typhoons or a "black" rainstorm warning is in effect in Hong Kong any time after 6:30 a.m. on the date of the AGM, the AGM will be adjourned. The Company will post an announcement on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.jutal.com>) to notify Shareholders of the date, time and place of the rescheduled meeting.