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

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

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**LILANZ 利郎**  
**CHINA LILANG LIMITED**  
**中國利郎有限公司**

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

**(Stock Code: 1234)**

**ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM to be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong at 11:15 a.m. on Tuesday, 23 April 2019 is set out on pages 19 to 20 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

19 March 2019

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## DEFINITIONS

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

“2009 Share Option Scheme”	the share option scheme of the Company adopted pursuant to written resolutions passed by the Shareholders on 4 September 2009
“2019 Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Shareholders at the EGM
“Adoption Date”	the date on which the 2019 Share Option Scheme is to be conditionally adopted by ordinary resolution of the Shareholders
“articles of association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Lilang Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong at 11:15 a.m. on Tuesday, 23 April 2019, the notice of which is set out on pages 19 to 20 of this circular, and any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Latest Practicable Date”	12 March 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) granted or to be granted under the 2009 Share Option Scheme, the 2019 Share Option Scheme or other share option scheme of the Company (if any)
“Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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**LILANZ 利郎**  
**CHINA LILANG LIMITED**  
**中國利郎有限公司**

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

**(Stock Code: 1234)**

*Executive Directors:*

Mr. Wang Dong Xing  
Mr. Wang Liang Xing  
Mr. Wang Cong Xing  
Mr. Cai Rong Hua  
Mr. Hu Cheng Chu  
Mr. Pan Rong Bin

*Registered office:*

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

*Independent non-executive Directors:*

Dr. Lu Hong Te  
Mr. Nie Xing  
Mr. Lai Shixian

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

Suite 3402, 34th Floor  
Lippo Centre, Tower One  
No. 89 Queensway  
Hong Kong

19 March 2019

*To the Shareholders, and for information only,  
the holders of options of the Company*

Dear Sir or Madam

**ADOPTION OF NEW SHARE OPTION SCHEME**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the ordinary resolution to be proposed at the EGM on the adoption of the 2019 Share Option Scheme and to give you notice of the EGM.

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## LETTER FROM THE BOARD

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### ADOPTION OF THE 2019 SHARE OPTION SCHEME

The 2009 Share Option Scheme which was adopted pursuant to the resolutions passed by the Shareholders on 4 September 2009 will expire on 3 September 2019. As at the Latest Practicable Date, there were no outstanding Options granted but not yet exercised under the 2009 Share Option Scheme.

In view of the above, the Board proposes that the 2019 Share Option Scheme should be adopted to enable the Company to make further grant of Options to eligible participants to motivate them to contribute to the development of the Group. An ordinary resolution will be proposed at the EGM for approving the adoption of the 2019 Share Option Scheme with effect from the close of business of the day on which such resolution is passed by the Shareholders. A summary of the principal terms of the 2019 Share Option Scheme is set out in the Appendix to this circular. A copy of the rules of the 2019 Share Option Scheme will be available for inspection (i) at the Company's principal place of business in Hong Kong at Suite 3402, 34th Floor, Lippo Centre, Tower One, No. 89 Queensway, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM; and (ii) at the venue of the EGM on the date of the EGM.

The purpose of the 2019 Share Option Scheme is to enable the Company to grant Options to eligible participants as incentives or rewards for their contribution to the Group. Under the rules of the 2019 Share Option Scheme, the Board may offer to grant Option(s) to subscribe for such number of Shares to any eligible participant as the Board may from time to time in its discretion determine on a case by case basis. The Company believes that the authority given to the Board to select the appropriate participants and to specify the terms and conditions in respect of any Options that may be granted, including the minimum holding period, performance targets and subscription price for such Options, will serve to protect the value of the Company as well as achieve the purposes of retaining and motivating the participants to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the Directors consider that it is in the interest of the Company to adopt the 2019 Share Option Scheme.

The 2019 Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the 2019 Share Option Scheme or has a direct or indirect interest in such trustee (if any). With respect to the operation of the 2019 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were no outstanding options, warrants or convertible securities which entitle the holders to subscribe for Shares.

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## LETTER FROM THE BOARD

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Taking into account the number of Shares in issue as at the Latest Practicable Date of 1,197,484,919 and assuming that there would be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Adoption Date, a total of 119,748,491 Shares will be issuable upon exercise of Options that may be granted under the 2019 Share Option Scheme, if adopted, and the 2009 Share Option Scheme and any other share option schemes of the Company, representing 10% of the total number of Shares that will be in issue as at the Adoption Date.

Subject to the adoption of the 2019 Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2019 Share Option Scheme, the 2009 Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to refresh the 10% limit, provided, inter alia, that the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2019 Share Option Scheme, the 2009 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the number of Shares in issue from time to time.

### **Value of the Options**

The Directors consider it inappropriate to disclose the value of Options which may be granted under the 2019 Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain pricing model or other methodology, which depends on various assumptions including, exercise price, exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

### **Conditions precedent of the 2019 Share Option Scheme**

The adoption of the 2019 Share Option Scheme is conditional upon:

- (A) the passing of an ordinary resolution to approve and adopt the 2019 Share Option Scheme by the Shareholders in the EGM; and
- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options in accordance with the terms of the 2019 Share Option Scheme.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options that may be granted under the 2019 Share Option Scheme.

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## LETTER FROM THE BOARD

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### ACTIONS TO BE TAKEN

Set out on pages 19 to 20 of this circular is a notice convening the EGM at which an ordinary resolution will be proposed to approve the adoption of the 2019 Share Option Scheme.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

### VOTING BY POLL

To the best information of the Directors after making reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules for any resolution proposed to be adopted at the EGM.

All the resolutions set out in the notice of the EGM will be decided by poll except where the chairman of the EGM, 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, in accordance with the Listing Rules. The chairman of the EGM will explain the detailed procedures for conducting a poll at the EGM.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share held.

After the conclusion of the EGM, the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.lilanz.com](http://www.lilanz.com).

### RECOMMENDATIONS

The Board considers that the ordinary resolution in respect of the adoption of the 2019 Share Option Scheme to be proposed at the EGM is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the EGM.

### GENERAL INFORMATION

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



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## LETTER FROM THE BOARD

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### 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.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
By order of the Board  
**China Lilang Limited**  
**Wang Dong Xing**  
*Chairman*

*This appendix summaries the principal terms of the 2019 Share Option Scheme and does not form, nor is intended to be, part of the 2019 Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the 2019 Share Option Scheme.*

## THE 2019 SHARE OPTION SCHEME

The following is a summary of the principal terms of the 2019 Share Option Scheme proposed to be approved and adopted by ordinary resolution of the Shareholders at the EGM.

### (a) Purposes of the scheme

The purpose of the 2019 Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the 2019 Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

### (b) Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which the Group holds an equity interest (“**Eligible Employee**”);
- (bb) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of any member of the Group or any Invested Entity;
- (ee) any person or entity that provides design, research, development or other technological support to any member of the Group or any Invested Entity;

- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (gg) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the 2019 Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

**(c) Maximum number of Shares**

- (aa) The maximum number of Shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2019 Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the Shares in issue from time to time.
- (bb) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the 2019 Share Option Scheme and any other share option scheme of the Group) to be granted under the 2019 Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the date of approval of the 2019 Share Option Scheme (“**General Scheme Limit**”).
- (cc) Subject to (aa) above but without prejudice to (dd) below, the Company may issue a circular to its shareholders and seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the 2019 Share Option Scheme and any other share option scheme of the Group) previously granted under the 2019 Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (ee) The maximum number of Shares which may fall to be issued upon exercise of the options to be granted under the 2019 Share Option Scheme and the options granted under any other share option scheme of the Group (including both exercised and outstanding options) to be granted by the Company or any other member of the Group in any given financial year of the Company shall not exceed 5% of the Shares in issue as at the beginning of such financial year.

**(d) Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the 2019 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to separate Shareholders' approval in general meeting of the Company with such participant and his close associates (or his associates if the participant is a connected person of the Company) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

**(e) Grant of options to connected persons**

- (aa) Any grant of options under the 2019 Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors of the Company (excluding any independent non-executive Director who or whose associate is the proposed grantee of the options).
- (bb) Where any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

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

such further grant of options must be approved by the Shareholders in general meeting.

The Company must send a circular to the Shareholders. The proposed grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates must be approved by the Shareholders in general meeting.

**(f) Time of acceptance and exercise of option**

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the 2019 Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date on which the offer for the grant of options is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2019 Share Option Scheme for the holding of an option before it can be exercised.

**(g) Performance target**

Unless the Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the 2019 Share Option Scheme can be vested in, or exercised by, the grantee.

**(h) Subscription price for Shares and consideration for the option**

The subscription price for Shares under the 2019 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option and shall be received by the Company within such time as may be specified in the offer of grant of the option, which shall not be later than 21 days from the offer date.

**(i) Ranking of Shares**

- (aa) Shares allotted upon the exercise of an option will be subject to all the provisions of the articles of association of the Company and will rank pari passu in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.
- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, reclassification or reduction of the share capital of the Company from time to time.

**(j) Restrictions on the time of grant of options**

No offer for grant of options shall be made after inside information has come to the knowledge of the Company until the Company has announced the information. In particular, no offer for the grant of options may be made during the period commencing one month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

The Directors may not make any offer to grant any option to a participant during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(k) Period of the 2019 Share Option Scheme**

The 2019 Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the 2019 Share Option Scheme is adopted.

**(l) Rights on ceasing employment**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health, disability or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in subparagraphs (n) or (q) below before the vesting and/or exercising his option in full, then unless the Directors otherwise determine, the option (to the extent not already vested) will lapse on the date of cessation and, in respect of option already vested but not exercised, the grantee may exercise the option in whole or in part within three months following the date of such cessation or termination (or such shorter period as the Directors may determine), and for this purpose, the date of cessation or termination will be taken to be the last day on which the grantee was actually at work with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not.

**(m) Rights on death, ill-health, disability or retirement**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before the vesting and/or exercising the option in full, then unless the Directors otherwise determine, the option (to the extent not already vested) shall deem to be vested on the day immediately prior to his death or, as the case may be, on the last day on which the grantee was at work with the Group or the Invested Entity (whether salary is paid in lieu of notice or not), and his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months (24 months in the case of death of the grantee) following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not (or such shorter period as the Directors may determine).

If the grantee is an individual who is not an Eligible Employee, and in the event of his ceasing to be an Eligible Participant by reason of his death, illness or disability in accordance with any contract entered into between the grantee or his associate on one part and any member of the Group or any Invested Entity on the other part before the vesting and/or exercising the option in full, then unless the Directors otherwise determine, the option (to the extent not already vested) shall deem to be vested on the day immediately prior to his death or, as the case may be, on the date on which the grantee ceases to be an Eligible Participant, and his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 24 months following the date of his death or (as the case may be) 12 months following the date of such cessation (or such shorter period as the Directors may determine).

**(n) Right on dismissal**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of misconduct or breach his contract of employment, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the relevant Invested Entity into disrepute), his option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**(o) Rights on termination of contract**

If the grantee is not an Eligible Employee and in the event of his ceasing to be an Eligible Participant for any reason other than his death, ill-health or disability in accordance with any contract entered into between the grantee or his associate on one part and any member of the Group or any Invested Entity on the other part, and not on one or more of the grounds specified in paragraphs (p) or (q) before the vesting and/or exercising the option in full, then unless the Directors otherwise determine, the option (to the extent not already vested) shall lapse on the date of such cessation and, in respect of option already vested but not exercised, the grantee may exercise the option in whole or in part within three months following the date of such cessation or termination (or such shorter period as the Directors may determine).

**(p) Rights on breach of contract**

In respect of a grantee other than an Eligible Employee, if the Directors shall at their absolute discretion determine that (aa) (1) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and any member of the Group or any Invested Entity on the other part; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or any Invested Entity or by any other reason whatsoever; and (bb) the option granted to the grantee under the 2019 Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (1), (2) and (3) above, his option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**(q) Rights on ceasing to be a subsidiary or Invested Entity**

If a grantee ceases to be an Eligible Participant as a result of any subsidiary of the Company or Invested Entity ceasing to be a subsidiary or Invested Entity of the Company, his option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the grantee ceases to be an Eligible Participant.



**(r) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share buy-back offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/ or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the option (to the extent not already vested) shall forthwith vest, and a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, the option (to the extent not already exercised) will lapse automatically on (aa) the date on which such offer (or, as the case may be, revised offer) closes or (bb) the relevant record date for entitlements under the scheme of arrangement, as the case may be.

**(s) Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent already vested but not exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the 2019 Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

**(t) Grantee being a company wholly-owned by Eligible Participants**

If the grantee is a company wholly-owned by one or more Eligible Participants:

- (i) sub-paragraphs (l), (m), (n), (o), (p) and (q) shall apply to the grantee and to the options to such grantee, mutatis mutandis, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (l), (m), (n), (o), (p) and (q) shall occur with respect to the relevant Eligible Participant; and
- (ii) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly-owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(u) Adjustments to the subscription price**

In the event of a capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company while an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to (1) the number of Shares subject to the 2019 Share Option Scheme or any option granted (insofar as it is/they are unexercised); and/or (2) the subscription price of the option granted (insofar as it is/they are unexercised), provided that (aa) any such adjustment shall give a grantee the same proportion of the issued share capital to which he would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (bb) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (cc) the issue of Shares or other securities of the Company as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (dd) any such adjustment must be made in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**(v) Cancellation of options**

Save for any breach of the requirement under paragraph (x) below which shall entitle the Company to cancel the option granted to the relevant grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any options granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to subparagraphs (c)(cc) and (c)(dd) above.

**(w) Termination of the 2019 Share Option Scheme**

The Company may by resolution in general meeting at any time terminate the 2019 Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the 2019 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the 2019 Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2019 Share Option Scheme.

**(x) Rights are personal to the grantee**

An option granted under the 2019 Share Option Scheme is personal to the grantee and shall not be transferable or assignable.

**(y) Lapse of option**

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

- (aa) the expiry of the period referred to in paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraph (l), (n), (o), (p), (q), (r), (s) and (t);
- (cc) the date on which the Directors exercise the Company's right to cancel the option by reason of a breach of paragraph (x) above by the grantee.

**(z) Others**

- (aa) The 2019 Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the 2019 Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The terms and conditions of the 2019 Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees of the options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the 2019 Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2019 Share Option Scheme.
- (dd) The amended terms of the 2019 Share Option Scheme or the options shall comply with the relevant requirements of the Listing Rules.
- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the 2019 Share Option Scheme shall be approved by the Shareholders in general meeting.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

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**LILANZ 利郎**  
**CHINA LILANG LIMITED**  
**中國利郎有限公司**

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

**(Stock Code: 1234)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of China Lilang Limited (the “**Company**”) will be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Tuesday, 23 April 2019 at 11:15 a.m. to consider, and if thought fit, pass the following resolution as an ordinary resolutions (with or without modifications):

“**THAT** with effect from the close of business of the day on which this resolution is passed, the rules of the share option scheme (the “**2019 Share Option Scheme**”), a copy of which having been produced to the meeting marked “A” and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted as the share option scheme of the Company and that the directors of the Company (the “**Directors**”) be and they are hereby authorised to approve any amendments to the rules of the 2019 Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, to grant options to subscribe for shares of the Company thereunder at the Directors’ absolute discretion, to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the 2019 Share Option Scheme, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the 2019 Share Option Scheme.”

By order of the Board  
**China Lilang Limited**  
**Wang Dong Xing**  
*Chairman*

Hong Kong, 19 March 2019

*Head office and principal place of*

*business in Hong Kong:*

Suite 3402, 34th Floor

Lippo Centre, Tower One

No. 89 Queensway

Hong Kong

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he is the holder of two or more shares (“**Shares**”) of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote at the meeting, 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 above meeting personally or by proxy, then one of the said persons so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong share registrar (the “**Share Registrar**”) of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the extraordinary general meeting or any adjournment thereof.
4. The register of members of the Company will be closed from Tuesday, 16 April 2019 to Tuesday, 23 April 2019 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the above meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar at the above address by no later than 4:30 p.m. on Monday, 15 April 2019.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

*As at the date of this notice, the executive Directors are Mr. Wang Dong Xing, Mr. Wang Liang Xing, Mr. Wang Cong Xing, Mr. Cai Rong Hua, Mr. Hu Cheng Chu and Mr. Pan Rong Bin; and the independent non-executive Directors are Dr. Lu Hong Te, Mr. Nie Xing and Mr. Lai Shixian.*