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

If you have sold or transferred all your shares in **Media Asia Group Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the licensed securities dealer, registered institution in securities, bank 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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Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8075)

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND BUY BACK SHARES, RE-ELECTION OF THE RETIRING DIRECTORS, ADOPTION OF THE NEW SHARE OPTION SCHEME AND ADOPTION OF THE NEW BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 7 to 19 of this circular.

The notice convening the 2022 AGM to be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:15 a.m. is set out on pages 53 to 60 of this circular. If you do not intend to attend the 2022 AGM or any adjournment thereof (as the case may be) in person but wish to exercise your voting rights as a Shareholder, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or any adjournment thereof (as the case may be) should you so wish. In that event, your form of proxy will be deemed to have been revoked.

In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at the 2022 AGM or its adjourned meeting (as the case may be) with a view to addressing the risk to attendees of infection, including the following:

- (i) all attendees will be required to undergo body temperature check;
- (ii) all attendees will be required to scan the “LeaveHomeSafe” venue QR code at the entrance of the venue of the 2022 AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);
- (iii) any attendees who are subject to health quarantine prescribed by the Government of Hong Kong will not be admitted to the venue of the 2022 AGM;
- (iv) all attendees will be required to wear surgical face masks throughout the 2022 AGM;
- (v) each attendee will be assigned a designated seat at the time of registration to ensure social distancing;
- (vi) any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of the 2022 AGM; and
- (vii) no refreshments or beverages will be provided, and there will be no corporate gifts.

The Company reminds Shareholders that they should carefully consider the risks of attending the 2022 AGM, taking into account their own personal circumstances. The Company would like to remind Shareholders that physical attendance in person at the 2022 AGM is not necessary for the purpose of exercising their voting rights and **strongly recommends that Shareholders appoint the chairman of the 2022 AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Shareholders NOT to attend the 2022 AGM in person**.

The Company will keep the evolving COVID-19 situation and the associated legal restrictions on public gatherings under constant review and may implement additional measures, which will be announced closer to the date of the 2022 AGM.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

TABLE OF CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. Introduction	7
2. General Mandate to Issue Shares	8
3. General Mandate to Buy Back Shares.....	8
4. Re-election of the Retiring Directors.....	9
5. Proposed Adoption of the New Share Option Scheme.....	9
6. Proposed Adoption of the New Bye-laws	16
7. 2022 AGM	17
8. Voting by Way of Poll	17
9. Responsibility Statement.....	18
10. Recommendation	18
11. Directors' Interests in Competing Businesses	18
12. General Information	19
APPENDIX I — EXPLANATORY STATEMENT ON BUY BACK MANDATE	20
APPENDIX II — DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION	23
APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE RULES OF THE NEW SHARE OPTION SCHEME	26
APPENDIX IV — PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS	39
NOTICE OF ANNUAL GENERAL MEETING	53
ACCOMPANYING DOCUMENT: FORM OF PROXY	

This circular will remain on the “Latest Listed Company Information” page of HKEX’s website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.mediaasia.com.

DEFINITIONS

In this circular and the appendices to it, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2021 AGM”	the AGM held on 17 December 2021
“2022 AGM”	the AGM to be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:15 a.m. or any adjournment thereof
“Acceptance Date”	means, in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Participant in accordance with the provisions of the New Share Option Scheme
“Adoption Date”	the date of approval and adoption of the New Share Option Scheme by the Shareholders and the shareholders of eSun, LSD and LSG respectively
“AGM”	annual general meeting of the Company
“Annual Report”	annual report of the Company for the year ended 31 July 2022
“Board”	the board of Directors, and for the purposes of the New Share Option Scheme shall include any committee of the Board duly constituted from time to time to administer the New Share Option Scheme and to which the functions and responsibilities of the Board under the New Share Option Scheme have been delegated
“Buy Back Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the 2022 AGM to exercise the powers of the Company to buy back Shares not exceeding 10% of the number of the total issued Shares as at the date of passing such resolution
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed and traded on GEM (Stock Code: 8075)
“control”	has the meaning ascribed to it under the Takeovers Code

DEFINITIONS

“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Date of Grant”	in relation to any Option, the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant subject to the provisions of the New Share Option Scheme
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the New Share Option Scheme, the day on which the conditions referred to in paragraph 22 of Appendix III of this circular are fulfilled
“Eligible Participant(s)”	the Employee Participants, the Service Providers and the Related Entity Participants
“Employee Participant(s)”	the directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571)
“Existing Bye-laws”	the existing bye-laws of the Company that are currently in force
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 18 December 2012
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Limit(s)”	has the same meaning as defined in paragraph 4 of Appendix III to this circular
“Lai Fung”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125)
“Latest Practicable Date”	25 October 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488)
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191)
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“New Bye-laws”	the new bye-laws which is proposed by the Board to be adopted by the Company at the 2022 AGM
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the 2022 AGM
“Notice of 2022 AGM”	the notice convening the 2022 AGM is contained in this circular
“Option(s)”	an option to subscribe for Shares pursuant to the New Share Option Scheme

DEFINITIONS

“Option Holder(s)”	the holder of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder
“Option Period”	in respect of any Option, the period commencing on the Acceptance Date of an Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any Option is granted in accordance with the New Share Option Scheme
“Option Price”	the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Share Option Scheme
“Perfect Sky”	Perfect Sky Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the controlling shareholder of the Company and a direct wholly-owned subsidiary of eSun
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Related Entity(ies)”	holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Remuneration Committee”	the remuneration committee of the Company

DEFINITIONS

“Service Provider(s)”	means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including vendors, suppliers providing design and manufacturing, production services, advisory services, consultancy services, sales and marketing services, technology services, administrative services, and/or other professional services to the Group to support the Group’s projects and business activities in media and entertainment, film and TV program, concerts and music production, as well as its new initiatives from time to time such as new content digitisation, gaming and e-commerce and independent contractor, consultant and/or advisors providing advisory services, consultancy services and/or other professional services on research and development, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations in investment environment of the Company and other areas in relation to the Group’s business operation, financial and management advisory and consulting, but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, and provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Service Provider Sublimit”	has the same meaning as defined in paragraph 3.2 of Appendix III of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the 2022 AGM to exercise the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the number of the total issued Shares as at the date of passing such resolution
“Shareholder(s)”	the duly registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Price”	in relation to an Option, an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which such Option is exercised
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong as amended from time to time
“%”	per cent.

LETTER FROM THE BOARD



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8075)

Executive Directors

Dr. Lam Kin Ngok, Peter (*Chairman*)
Mr. Chan Chi Kwong
Mr. Lui Siu Tsuen, Richard
Mr. Yip Chai Tuck

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors

Mr. Au Hoi Fung
Mr. Ng Chi Ho, Dennis
Mr. Poon Kwok Hing, Albert

***Head Office and Principal Place
of Business***

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

31 October 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
RE-ELECTION OF THE RETIRING DIRECTORS,
ADOPTION OF THE NEW SHARE OPTION SCHEME AND
ADOPTION OF THE NEW BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the 2022 AGM, resolutions will be proposed relating to the granting to the Directors general mandates to issue and buy back Shares, the re-election of retiring Directors, the adoption of the New Share Option Scheme and the adoption of the New Bye-laws. The purpose of this circular is to provide information reasonably necessary to enable the Shareholders to make informed decision on whether to vote for or against the proposed resolutions at the 2022 AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the 2021 AGM, a general mandate (the “**General Mandate**”) was granted to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the number of the total issued Shares as at the date of passing such resolution. Such general mandate will lapse at the conclusion of the 2022 AGM unless renewed thereat.

An ordinary resolution will be proposed at the 2022 AGM granting to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the number of the total issued Shares as at the date of passing such resolution, for the period from the said date until the conclusion of the next AGM or such other period as stated in the resolution.

As at the Latest Practicable Date, the total number of Shares in issue was 2,986,314,015. Subject to the passing of the resolution granting the Share Issue Mandate and on the basis that no further Shares are issued or bought back prior to the 2022 AGM, the Company would be authorised to issue up to 597,262,803 new Shares.

Subject to and conditional on the passing of the resolutions in relation to the Share Issue Mandate and the Buy Back Mandate, an ordinary resolution will be proposed at the 2022 AGM to extend the Share Issue Mandate by adding those Shares bought back by the Company under the Buy Back Mandate provided that such extension shall not exceed 10% of the number of the total issued Shares on the date of granting the Buy Back Mandate.

3. GENERAL MANDATE TO BUY BACK SHARES

At the 2021 AGM, a general mandate was granted to the Directors to buy back not exceeding 10% of the number of the total issued Shares. Such general mandate will lapse at the conclusion of the 2022 AGM unless renewed thereat.

An ordinary resolution will be proposed at the 2022 AGM granting to the Directors a general and unconditional mandate to exercise the powers of the Company to buy back not exceeding 10% of the number of the total issued Shares as at the date of passing such resolution, for the period from the said date until the conclusion of the next AGM or such other period as stated in the resolution.

An explanatory statement as required under the GEM Listing Rules is set out in Appendix I to this circular and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy Back Mandate.

LETTER FROM THE BOARD

4. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-law 84 of the Bye-laws, Mr. Lui Siu Tsuen, Richard (an Executive Director), Mr. Au Hoi Fung and Mr. Poon Kwok Hing, Albert (both Independent Non-executive Directors (“INEDs”)) will retire from office as Directors by rotation at the 2022 AGM and, being eligible, offer themselves for re-election.

Details of the retiring Directors proposed for re-election at the 2022 AGM required to be disclosed under Rule 17.50(2) of the GEM Listing Rules are set out in Appendix II to this circular.

5. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Lapse of the Existing Share Option Scheme

The Existing Share Option Scheme is due to expire on 17 December 2022. In view of the impending expiry of the Existing Share Option Scheme, the Company proposes to adopt the New Share Option Scheme. As at the Latest Practicable Date, there were no outstanding Options entitling the holders thereof to subscribe for Shares under the Existing Share Option Scheme.

The New Share Option Scheme

At the 2022 AGM, ordinary resolution no. 5 will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the New Share Option Scheme as the Existing Share Option Scheme will expire and no further Options can thereafter be offered or granted under the Existing Share Option Scheme. The New Share Option Scheme is largely similar to the Existing Share Option Scheme. The major differences between the New Share Option Scheme and the Existing Share Option Scheme are changes made to the terms of the New Share Option Scheme to conform to the latest amendments to Chapter 23 of the GEM Listing Rules (effective from 1 January 2023). The New Share Option Scheme complies with the latest requirements under Chapter 23 of the GEM Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,986,314,015 Shares, of which 2,021,848,647 Shares (representing approximately 67.70%) is indirectly owned by eSun; eSun was indirectly owned as to approximately 74.62% by LSD; LSD was approximately 53.19% directly and indirectly owned by LSG. Hence, the Company is a subsidiary of each of eSun, LSD and LSG.

Pursuant to Rule 23.01(4) of the GEM Listing Rules (in force as of the Adoption Date), so long as the Company is a subsidiary of eSun, LSD and LSG and each of them being a holding company of the Company which is also listed on the Stock Exchange, the adoption of the New Share Option Scheme by the Company is also subject to the passing of the necessary resolutions by the shareholders of eSun, LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company pursuant to the requirements of Rule 23.01(4) of the GEM Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,986,314,015 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 298,631,401 Shares, representing 10% of the number of the total issued Shares as at the Adoption Date.

The Service Provider Sublimit of the New Share Option Scheme will be 29,863,140 Shares, being 1% of the number of the total issued Shares on the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in the Group's business, the current payment and/or settlement arrangement with the Service Providers, and the fact that the Company expects that a majority of Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings. Considering that there are no other share schemes involving grant of options over new Shares, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Option Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at the 2022 AGM.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

Conditions precedent of the New Share Option Scheme

The New Share Option Scheme will take effect after the expiry of the Existing Share Option Scheme and upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in the 2022 AGM to approve the adoption of the New Share Option Scheme and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;

LETTER FROM THE BOARD

- (ii) the passing of the necessary resolutions by the shareholders of eSun, LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company; and
- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.

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

Explanation of the terms of the New Share Option Scheme

A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix III hereto.

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

Eligible Participants

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

LETTER FROM THE BOARD

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Options to the Service Providers and Related Entity Participants in recognition of their contribution to the Company. The Directors (including the INEDs) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

More specifically, the Board (including the INEDs) is of the view that:

- (i) The Company and the Related Entity Participants have always had a close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's business. As such, certain Related Entity Participants have joint involvement in work projects from time to time. Given the mix of workload, the Company feels that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Share Option Scheme. In particular, for those Related Entities 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 New 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 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 Entities and the Group; while the Related Entities may consider granting Options to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Options to those employees in recognition of such contribution to the Company.

LETTER FROM THE BOARD

- (ii) The Group has always relied on its vendors and suppliers to provide design and manufacturing, production services, advisory services, consultancy services, sales and marketing services, technology services, administrative services, and/or other professional services to the Group to support the Group's projects and business activities in media and entertainment, film and TV program, concerts and music production, as well as its new initiatives from time to time such as new content digitisation, gaming and e-commerce. The Board believes that the Group's success is attributable to high quality of services provided by such vendors and suppliers. In addition, the Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their specialised skills in fields such as research and development, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations in investment environment of the Company and other areas in relation to the Group's business operation, financial and management advisory and consulting. Furthermore, as the Group is operating in the ever-changing industries of media and entertainment and film and TV program, the Group may require new types of professional services to be provided by the Service Providers on a continuing or recurring basis to cope with its demand for new initiatives, projects and focuses and to support its expansion plan(s) from time to time, such as its new initiatives in areas of new content digitisation, gaming and e-commerce. In such case, the Board will determine whether the Service Providers providing such professional services are eligible to participate in the New Share Option Scheme based on whether such professional services provided are in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time. Such suppliers, vendors, independent contractor, consultants and advisors may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis which is in line with industry norm, and the Company may need to outsource such functions and procure services from external vendors or suppliers, or is unable to turn to internal resources for these kind of specialised support due to various restraints. Hence, the Board is of the view that apart from the invaluable contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from these kind of suppliers, vendors, independent contractor, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised. Although the Company has not granted any options to such Service Providers under the Existing Share Option Scheme, the Board also considers that it is still appropriate to have the flexibility in granting Options instead of cash reward or other settlement to the Service Providers since the grant of Options will offer incentives that are more long-lasting and promising than one-off payments and allow the Group to more efficiently allocate its financial resources by retaining more cash.

LETTER FROM THE BOARD

- (iii) As mentioned above, the Board will take into account of numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Participants. As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Options to be granted to these Eligible Participants, which allows the Board having great flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for these non-employee Eligible Participants' contribution or potential contribution.
- (iv) Although no grants were made to any participants under the Existing Share Option Scheme, it has always been the intention of the Company to include employee, director, officer or consultant of a Related Entity and any other group or classes of participants which the Directors consider to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the Group as these classes of person were all eligible under the Existing Share Option Scheme. The Company has always opted a flexible approach when it comes to devising its own talent recruitment and retention strategies.

Having their contribution recognised and their interests aligned with the Group's, the Related Entity Participants and Service Providers will be better motivated to support the development of the Group in a sustainable manner.

Vesting period

The vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Option Holder, such as those set out in paragraphs 7.2(i) to (iii) of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in sub-paragraph 7.2 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

Performance targets and clawback mechanism

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

If performance targets are imposed on an Option Holder, the Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; box office; ratings; reviews; and such other goals as the Board may determine from time to time.

If a clawback mechanism is imposed on an Option Holder, the Board will take into account individual circumstances when devising such mechanism such as the role of the Option Holder, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Option Holder to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Options under the New Share Option Scheme at a Subscription Price which will be determined on a fair basis according to market value of the Shares and to impose such clawback mechanism and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the New Share Option Scheme.

Basis of Determination of the Option Price

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Option Price as determined on the Date of Grant. The basis for determining the Option Price is also specified precisely in the rules of the New Share Option Scheme. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

LETTER FROM THE BOARD

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 New 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.

Document on display

A copy of the rules of the New Share Option Scheme will be published on the respective websites of HKEX and the Company for display for a period of not less than fourteen (14) days before the date of the 2022 AGM and the rules of the New Share Option Scheme will be made available for inspection at the 2022 AGM.

6. PROPOSED ADOPTION OF THE NEW BYE-LAWS

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the GEM Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

The Board proposes to amend the Existing Bye-laws by way of adopting the New Bye-laws in substitution for and to the exclusion of the Existing Bye-laws for the purposes of (i) providing greater flexibility to the Company in relation to the conduct of general meetings by allowing (but not requiring) general meetings to be held as an electronic meeting and/or as a hybrid meeting where the Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person; (ii) bringing the Existing Bye-laws in line with the amendments made to the GEM Listing Rules (in particular to conform to the Core Shareholder Protection Standards as set out in Appendix 3 to the GEM Listing Rules) and applicable laws of Bermuda; and (iii) making certain minor housekeeping amendments to the Existing Bye-laws.

In view of the number of proposed changes involved, the Board proposes the adoption of the New Bye-laws which incorporate and consolidate all proposed amendments set out in Appendix IV of this circular. A marked-up version showing the changes made to the Existing Bye-laws are set out in Appendix IV to this circular. A special resolution will be proposed at the 2022 AGM to approve the adoption of the New Bye-laws.

Shareholders are advised that the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and Chinese translation, the English version shall prevail.

LETTER FROM THE BOARD

The legal advisers to the Company have confirmed that the proposed amendments to the Existing Bye-laws as set out in Appendix IV to this circular conform with the requirements under the GEM Listing Rules and are not inconsistent with the laws of Bermuda. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

7. 2022 AGM

Notice of 2022 AGM is set out on pages 53 to 60 of this circular. If you do not intend to attend the 2022 AGM in person but wish to exercise your voting rights as a Shareholder, you are requested to complete the accompanying form of proxy (also published on the respective websites of HKEX at www.hkexnews.hk and the Company at www.mediaasia.com) in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or any adjournment thereof (as the case may be) should you so wish. In that event, your form of proxy will be deemed to have been revoked.

The Company will implement certain preventive and control measures in view of the recent development relating to COVID-19. Please refer to notes (12) to (14) under the Notice of 2022 AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed resolutions at the 2022 AGM.

8. VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, save for resolutions which relate purely to a procedural or administrative matter to be voted by a show of hands, any vote of Shareholders at a general meeting of the Company must be taken by poll. Accordingly, all resolutions to be proposed at the 2022 AGM will be taken by way of poll by the Shareholders. Bye-law 66 of the Bye-laws provides that 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 Share held by that Shareholder. An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the 2022 AGM. The Company will publish an announcement on the poll results on the respective websites of HKEX at www.hkexnews.hk and the Company at www.mediaasia.com after the conclusion of the 2022 AGM.

LETTER FROM THE BOARD

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

10. RECOMMENDATION

The Directors are of the opinion that the proposed granting of the Share Issue Mandate, the Buy Back Mandate and extension of the Share Issue Mandate, the proposed re-election of the retiring Directors as well as the proposed adoption of the New Share Option Scheme and New Bye-laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2022 AGM.

11. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, eSun and four Executive Directors, namely, Dr. Lam Kin Ngok, Peter as well as Messrs. Chan Chi Kwong, Lui Siu Tsuen, Richard and Yip Chai Tuck (collectively, the “**Interested Directors**”) are considered to have interests in businesses which compete or may compete with the businesses of the Group pursuant to the GEM Listing Rules. The Interested Directors held shareholding interests and/or other interests and/or directorships in companies, or entities in the eSun group which engage in the businesses including the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation.

However, the Board is independent from the boards of directors, or governing committees of the aforesaid companies, or entities and none of the Interested Directors can personally control the Board. Further, each of the Interested Directors is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies, or entities. Save as disclosed above, none of the Directors, the controlling shareholder and their respective close associates competes or may compete with the businesses of the Group and has or may have any other conflict of interest with the Group.

LETTER FROM THE BOARD

12. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the Notice of 2022 AGM.

In case of any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

Yours faithfully,
For and on behalf of the Board
Media Asia Group Holdings Limited
Lam Kin Ngok, Peter
Chairman

APPENDIX I EXPLANATORY STATEMENT ON BUY BACK MANDATE

This explanatory statement contains the information required by Rule 13.08 of the GEM Listing Rules reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy Back Mandate to be proposed at the 2022 AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 2,986,314,015. Subject to the passing of the relevant resolution and on the basis that no Shares will be issued or bought back by the Company prior to the 2022 AGM, the Company would be authorised under the Buy Back Mandate to buy back a maximum of 298,631,401 Shares (i.e. 10% of the entire issued share capital of the Company as at the Latest Practicable Date).

2. REASONS FOR BUY BACK

Although the Directors have no present intention to buy back any Shares, they believe that the flexibility afforded by the Buy Back Mandate will be in the interests of the Company and the Shareholders as a whole. Such buy back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such buy back will benefit the Company and the Shareholders as a whole (e.g. if there are occasions in the future when depressed market conditions arise and the Shares are trading at a discount to their underlying value).

3. FUNDING OF BUY BACK

Pursuant to the Buy Back Mandate, the Company may only apply funds legally available for such purpose in accordance with the memorandum of continuance of the Company, the Bye-laws and the applicable laws of Bermuda.

Funds for a buy back of the Shares, to the extent of the nominal value attributable to the bought back Shares, may be paid out of the capital paid up thereon or out of the proceeds of a new issue of Shares made for that purpose or from the funds of the Company otherwise available for dividend or distribution. The premium over the nominal value of the bought back Shares may be paid out of the share premium account before the Shares are bought back or the funds of the Company otherwise available for dividend or distribution.

There might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the published audited financial statements of the Company for the year ended 31 July 2022) in the event that the Buy Back Mandate is to be exercised in full at any time during the proposed buy back period. However, the Directors do not propose to exercise the Buy Back Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are appropriate for the Company from time to time.

APPENDIX I EXPLANATORY STATEMENT ON BUY BACK MANDATE

4. SHARE PRICES

The highest and lowest prices per Share at which the Shares had been traded on GEM during each of the twelve (12) months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2021		
October	1.670	1.480
November	1.600	1.280
December	1.340	1.090
2022		
January	1.200	0.980
February	1.000	0.850
March	1.080	0.750
April	0.830	0.560
May	1.190	0.485
June	0.780	0.385
July	0.870	0.570
August	0.620	0.550
September	0.560	0.415
October (up to the Latest Practicable Date)	0.415	0.305

5. SHARE BOUGHT BACK MADE BY THE COMPANY

The Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six (6) months immediately preceding the Latest Practicable Date.

6. INTENTION AND UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares to the Company in the event that the Buy Back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy Back Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.

None of the core connected person of the Company have notified the Company that they have present intention to sell Shares to the Company or have undertaken not to do so, in the event that the Buy Back Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON BUY BACK MANDATE

7. IMPLICATIONS OF THE TAKEOVERS CODE AND THE GEM LISTING RULES

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a buy back of Shares, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Perfect Sky was the controlling shareholder of the Company. In the event that the Company exercises the Buy Back Mandate in full, the shareholding percentage of Perfect Sky (based on the number of the Shares it held as at the Latest Practicable Date and assuming that no further Shares are issued) before and after the buy back are set out as follows:

Name of Shareholder	Number of Shares	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding assuming the Buy Back Mandate is exercised in full
Perfect Sky	2,021,848,647	67.70%	75.23%

The Directors are not aware of any Shareholders or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any buy back of Shares pursuant to the Buy Back Mandate.

The Directors have no present intention to exercise the Buy Back Mandate to such an extent as would result in the number of issued Shares which are in the hands of the public falling below the minimum prescribed percentage of public float as required under the GEM Listing Rules.

The following are the particulars of the Directors proposed to be re-elected at the 2022 AGM:

1. Executive Director

Mr. Lui Siu Tsuen, Richard, aged 66, was appointed an Executive Director with effect from 16 June 2011. He is also a member of each of the Executive Committee, the Nomination Committee of the Company (“NC”) and the Remuneration Committee. Mr. Lui is currently an executive director and the chief executive officer of eSun and was an executive director of LSG, LSD and Lai Fung respectively from 1 January 2011 to 31 October 2012.

Mr. Lui is currently an independent non-executive director of Prosperity Investment Holdings Limited (the issued shares of which are listed and traded on the Main Board of the Stock Exchange). Prior to joining the Company, Mr. Lui had held senior executive positions in a few Hong Kong and overseas listed companies.

Mr. Lui has over 36 years of experience in property investment, corporate finance and media and entertainment businesses. He is a fellow member of each of the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and The Chartered Institute of Management Accountants, United Kingdom. He holds a Master of Business Administration Degree from The University of Adelaide in Australia.

The Company and Mr. Lui have entered into a service contract with no fixed term but such contract is determinable by either the Company or Mr. Lui serving the other party not less than three months’ written notice or payment in lieu thereof. In accordance with the provisions of the Bye-laws, Mr. Lui will be subject to retirement from office as a Director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Lui presently receives a Director’s fee of HK\$15,000 per month from the Company which is determined by the Board from time to time with reference to the results of the Company, his performance, duties and responsibilities and time allocated to the Company as well as the prevailing market conditions.

Save as disclosed above, Mr. Lui has not held any directorship in any other listed public companies in the last three years and does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, except for the share option granted to him to subscribe for 121,232 shares of LSD (as adjusted) pursuant to the share option scheme of LSD adopted in 2006, Mr. Lui does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

2. Independent Non-executive Directors

Mr. Au Hoi Fung, aged 67, was appointed an INED on 9 July 2020. He is a member of each of the Audit Committee of the Company (“AC”), the NC and the Remuneration Committee.

Mr. Au has more than 42 years of accounting and financial management work experiences gained in various corporations in Hong Kong. Currently, he is the vice president (Finance and Administration) and a director of F.O.B. Garments Limited, a sizeable garments trading entity in Hong Kong which he has joined since January 1994.

Mr. Au graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) with a Higher Diploma in Accountancy. He is an associate of the Chartered Institute of Management Accountants and a fellow of the HKICPA.

The Company and Mr. Au have entered into a service contract which is renewed on a biennial basis and is determinable by either the Company or Mr. Au serving the other party not less than one month’s written notice or payment in lieu thereof. In accordance with the provisions of the Bye-laws, Mr. Au will be subject to retirement from office as a Director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Au presently receives a Director’s fee of HK\$15,000 per month from the Company which is determined by the Board from time to time with reference to the results of the Company, his performance, duties and responsibilities and time allocated to the Company as well as the prevailing market conditions.

Mr. Au has not held any directorship in any listed public companies in the last three years and does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Au does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Poon Kwok Hing, Albert, aged 61, was appointed an INED on 24 April 2020. He is the chairman of the NC and a member of both the AC and the Remuneration Committee.

Mr. Poon is currently an independent non-executive director of Shaw Brothers Holdings Limited (the issued shares of which are listed and traded on the Main Board of the Stock Exchange). He was an independent non-executive director of each of Greater Bay Area Dynamic Growth Holding Limited (the issued shares of which are listed and traded on the Main Board of the Stock Exchange) from March 2007 to October 2022 and Master Glory Group Limited (delisted on the Stock Exchange with effect from 8 February 2021) from February 2007 to December 2020.

Mr. Poon graduated from the University of Bath, United Kingdom with a Master of Science Degree in Business Administration. He is a member of the HKICPA and a member of the CPA Australia.

The Company and Mr. Poon have entered into a service contract which is renewed on a biennial basis and is determinable by either the Company or Mr. Poon serving the other party not less than one month's written notice or payment in lieu thereof. In accordance with the provisions of the Bye-laws, Mr. Poon will be subject to retirement from office as a Director by rotation once every three years if re-elected at the 2022 AGM and will also be eligible for re-election at future AGMs. Mr. Poon presently receives a Director's fee of HK\$15,000 per month from the Company which is determined by the Board from time to time with reference to the results of the Company, his performance, duties and responsibilities and time allocated to the Company as well as the prevailing market conditions.

Save as disclosed above, Mr. Poon has not held any directorship in any other listed public companies in the last three years and does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Poon does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

In accordance with the Bye-laws, Mr. Lui, Mr. Au and Mr. Poon will retire as Directors at the 2022 AGM, and being eligible, offer themselves for re-election thereat. Save as disclosed above and other particulars of the aforesaid retiring Directors as contained in the sections headed "*Corporate Governance Report*" and "*Report of the Directors*" of the Annual Report, there are no other matters which need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements under Rule 17.50(2) of the GEM Listing Rules.

The following is a summary of the principal terms of the rules of the New Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the 2022 AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

2. ELIGIBLE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Service Providers, assessing factors include: whether the nature of professional services provided by the Service Provider is in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's business segments and focuses from time to time, the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim, quarterly and annual reports.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The total number of Shares which may be issued upon the exercise of all Options to be granted under the New 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 "**Other Schemes**") shall not in aggregate exceed 298,631,401, representing 10% of the number of the total issued Shares on the Adoption Date (the "**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to sub-paragraph 3.3 below. Options or awards cancelled or lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Share Option Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of the total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 3.2 Subject to paragraph 3.1 above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 29,863,140 Shares, representing 1% of the number of the total issued Shares on the Adoption Date (the "**Service Provider Sublimit**").

- 3.3 The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New Share Option Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the New Share Option Scheme or the last refreshment.
- 3.4 Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (i) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 17.47(6), 17.47(7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.
- 3.5 The requirements under paragraphs 3.4(i) and 3.4(ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- 3.6 The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the number of the total issued Shares as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the GEM Listing Rules.
- 3.7 The Company may seek separate approval by the Shareholders in its general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the GEM Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Options to be granted, the date of Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

3.8 In addition to paragraph 3.3 above, if required under Rule 14.32A and other provisions under Chapter 14 of the Main Board Listing Rules, approval from the shareholders of eSun, LSD and/or LSG shall also be obtained if the Company proposes to increase or refresh the Scheme Mandate Limit.

4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 21 below, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the number of the total issued Shares at the Date of Grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the GEM Listing Rules. The number and terms (including the Subscription Price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

5. ACCEPTANCE OF OPTION

Offers to grant an Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of the Company (“**Company Secretary**”) within a period of thirty (30) days inclusive of, and from, the Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New Share Option Scheme or after the New Share Option Scheme has been terminated; or by a person who ceases to be an Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant with the number of Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 per Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of Options being accepted or deemed to have been accepted, each Option Holder gives the Company an unfettered right to publish an announcement relating to the terms of the offer in accordance with the GEM Listing Rule.

6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

Save as provided in paragraphs 7, 9 to 12 below, Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Company Secretary must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder exercising the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised; and (ii) payment in full of the Subscription Price. Notwithstanding anything in provisions under the New Share Option Scheme to the contrary, the Option Period shall not be extended and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its obligations under the New Share Option Scheme in relation to such exercise.

7. VESTING PERIOD OF OPTION

- 7.1 Save for the circumstances prescribed in paragraph 7.2 below, an Option must be held by the Option Holder for at least twelve (12) months before the Option can be exercised.
- 7.2 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:
- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months;
 - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
 - (vi) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New Share Option Scheme.

8. OPTION PRICE

The Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the Date of Grant at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a trading day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the Date of Grant; and (c) the nominal value of the Shares on the Date of Grant, provided that the Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15.

9. RIGHTS ON WINDING UP

If notice is given of a general meeting of the Company at which a resolution will be proposed for the members' voluntary winding-up of the Company, each Option Holder shall be entitled, at any time not later than two (2) business days prior to the proposed resolution being duly passed, to exercise his outstanding Options in whole or in part, but only so far as such Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

10. RIGHTS ON A GENERAL OFFER

If, in consequence of any general offer made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of the Company, each Option Holder shall be entitled to exercise at any time within a period of fourteen (14) days after such control has been obtained the Option in whole or in part, unless the Directors (excluding the relevant Option Holder who is a Director) in their discretion notwithstanding the terms of the relevant Option, vary the option exercise period of such Options granted.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or an arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or an arrangement, and thereupon any Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the Option Holders in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL

- (i) in the event of the Option Holder ceases to be an Eligible Participant because the Related Entity (to which the Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a Related Entity, then he may exercise all his outstanding Options within twelve (12) months after he so ceases and any such Options not so exercised shall lapse and determine at the end of the said period of twelve (12) months;
- (ii) in the event the Option Holder ceases to be an Eligible Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Option Holder's employment, directorship, office, appointment or engagement under sub-paragraph (iii) below arises prior to his or her death, the legal personal representative(s) of the Option Holder shall be entitled within a period of twelve (12) months from the date of death, to exercise the Option up to the entitlement of such Option Holder as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);

- (iii) in the event that the date on which the Option Holder ceases to be an Eligible Participant by reason of the termination of his employment, directorship, office, appointment or engagement on the grounds that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Option Holder's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Option Holder is terminated by the relevant company pursuant to the contract thereof without notice, and a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of an Option Holder has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding, then all his outstanding Options shall lapse and determine on the date he so ceases;
- (iv) in the event that the Option Holder ceases to be an Eligible Participant by reason of his retirement in accordance with his contract of employment or service, any outstanding Option(s) may be exercised during the Option Period subject to the criteria and conditions set out in the option letter; and
- (v) for any reason other than as described in sub-paragraphs (i) to (iv) above, then all Options of his which are exercisable at the date he ceases to be an Eligible Participant may be exercised to the extent then exercisable within three (3) months of the date he so ceases and unless so exercised shall then lapse and determine;

Provided always that in each case the Directors in their absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

13. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of ten (10) years commencing on the Effective Date (the "**Scheme Period**").

14. LAPSE OF OPTION

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

14.1 the expiry of the Option Period;

14.2 the expiry of any of the periods referred to in paragraphs 9, 10 (unless otherwise determined by the Directors), 11 and 12 above;

14.3 the date on which the Option Holder commits a breach of paragraph 18 below, if the Directors shall exercise the Company's right to cancel any outstanding Option or part thereof granted; or

14.4 the date on which the Option is cancelled by the Directors as provided in paragraph 16 below.

The Company shall owe no liability to an Option Holder for the lapse of any Option under this paragraph 14.

15. ADJUSTMENT

In the event of any alteration in the capital structure of the Company or the date of any previous adjustment(s) pursuant to this paragraph 15 (whichever is later) which arises or may arise immediately following the commencement of the Scheme Period from any issue of shares in or other securities of the Company by way of reduction, subdivision or consolidation of the share capital of the Company or any capitalisation issue or rights issue which the Board considers an adjustment necessary under this paragraph 15, the number or nominal amount of Shares comprised in each Option for the time being outstanding, the Option Price, the Individual Limit in relation to any Option Holder and/or the amounts of multiples of Shares capable of being exercised pursuant to the New Share Option Scheme, may be adjusted in such manner as the Directors (having received a statement in writing from the independent auditors or independent financial adviser of the Company, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the GEM Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:

- (a) the Option Price payable upon the exercise of any Option becoming less than the nominal amount of the Share;
- (b) the aggregate Subscription Price relating to any Option being increased;
- (c) the proportion of equity capital, rounded to the nearest whole share of the Company to which the Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he was entitled before;

- (d) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall not be greater than the Scheme Mandate Limit (subject to adjustments); and
- (e) the intrinsic value of any Option to have increased to the advantage of the Option Holder.

In addition, in respect of any adjustments under this paragraph 15, other than any made on a capitalisation issue, the independent auditor or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

16. CANCELLATION OF OPTIONS GRANTED

Options granted and accepted but not exercised may not be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the New Share Option Scheme (or the Other Schemes) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in the general meeting may at any time terminate the operation of the New Share Option Scheme before the expiry of the Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the New Share Option Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the New Share Option Scheme are required under the GEM Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing Other Scheme after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Share Option Scheme, and accordingly no relevant disclosure in relation to Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

- 19.1 The Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Share Option Scheme altering to the advantage of Option Holders (present or future) any of the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” in sub-paragraph 1.1 of the New Share Option Scheme, the terms and conditions of the New Share Option Scheme which are of a material nature and all such other matters set out in Rule 23.03 of the GEM Listing Rules.
- 19.2 No amendments to the New Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with such consent on their part as would be required under the provisions of the Bye-laws as if the Options constituted a separate class of share capital and as if such provisions applied *mutatis mutandis* thereto.
- 19.3 Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- 19.4 Save as otherwise provided in the terms of the New Share Option Scheme, an amendment of a material nature to the New Share Option Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.
- 19.5 The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of the GEM Listing Rules.
- 19.6 Any change to the authority of the Directors or scheme administrators to alter the terms of the New Share Option Scheme must be approved by the Shareholders in the general meeting.

20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances.

21. GRANT OF OPTIONS TO CONNECTED PERSONS

21.1 In addition to paragraph 4 above, any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the INEDs (excluding any INEDs who is a proposed grantee of the relevant Options) and shall comply with the requirements of Rule 23.04 of the GEM Listing Rules.

21.2 Where Options are proposed to be granted to an INED or a substantial Shareholder, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme) granted to such person in the twelve (12)-month period up to and including the Date of Grant to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of the Shareholders taken on a poll in a general meeting.

21.3 In the circumstances described in paragraph 21.2 above, the Company must send a circular to the Shareholders setting out the details as required under Rule 23.04(5) of the GEM Listing Rules. The relevant Option Holder, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, The Company must comply with the requirements set out in Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect after the expiry of the Existing Share Option Scheme and upon satisfaction of the following conditions:

22.1 the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the New Share Option Scheme and to authorise the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;

22.2 the passing of the necessary resolutions by the shareholders of eSun, LSD and LSG in their respective general meetings to approve the adoption of the New Share Option Scheme by the Company; and

22.3 the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the New Share Option Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New Share Option Scheme shall forthwith determine and any Option granted or agreed to be granted pursuant to provisions of the New Share Option Scheme and any offer of Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New Share Option Scheme or any Option.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

No offer of an Option shall be made and no Option shall be granted to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to the Company's knowledge until such price sensitive information or inside information has been publicly disseminated in accordance with the GEM Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the GEM Listing Rules or any applicable law.

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
2. (l)	<u>a reference to anything being done by electronic means includes its being done by means of any electronic or other communications equipment or facilities and reference to any communication being delivered or received, or being delivered or received at a particular place, includes the transmission of an Electronic Record to a recipient identified in such manner or by such means as the Board may from time to time approve or prescribe, either generally or for a particular purpose;</u>
2. (n)	<u>any reference in these presents to votes cast or taken at a general meeting shall include all votes taken (in such manner as may be directed by the chairman of that meeting whether by a count of votes by show of hands and/or by the use of ballot or voting papers or tickets and/or by electronic means) of Members attending in person, by corporate representative or by proxy at that meeting.</u>
3. (1)	The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of <u>a par value of HK\$0.10</u> each.
10.	Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued <u>voting rights of the shares</u> of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, <i>mutatis mutandis</i> , apply, but so that:
12. (2)	The Board may issue warrants <u>or convertible securities or securities of similar nature</u> conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
21.	If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant <u>certificate</u> shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.
43. (2)	Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44.	<u>Except when the Register is closed under the Act and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong),</u> The the Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
48. (3)	The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder <u>Member</u> requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- | Bye-law | Proposed Amendments (showing changes to the Existing Bye-laws) |
|----------------|--|
| 54. | A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 75 <u>72</u> (2) being met, such a person may vote at meetings. |
| 56. | An annual general meeting of the Company shall be held in each <u>financial</u> year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place (if any) as may be determined by the Board. <u>The annual general meeting must be held within six months after the end of the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any).</u> |
| <u>58A.</u> | <u>A general meeting may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. A general meeting may be held, as may be determined by the Board from time to time: (a) by physical attendance and participation by Members at the Specified Place and where applicable, one or more places; (b) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (c) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities as mentioned above.</u> |

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
58B.	<p><u>The provisions of this Bye-law shall apply if any general meeting is convened at or adjourned to more than one place.</u></p> <p>(A) <u>The notice of any general meeting or adjourned meeting shall specify the Specified Place and the Board shall make arrangements for simultaneous attendance and participation in a satellite meeting at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by the Members. The Members present at any such satellite meeting place in person or by proxy and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Members attending at all the meeting places are able to:</u></p> <p>(i) <u>communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by use of microphones, loud-speakers, audio-visual or other communications equipment or facilities; and</u></p> <p>(ii) <u>have access to all documents which are required by the Act and these Bye-laws to be made available at the meeting.</u></p> <p>(B) <u>The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the Specified Place. If it appears to the chairman of the general meeting that the facilities at the Specified Place or any satellite meeting place are or become inadequate to give all persons entitled to do so a reasonable opportunity to communicate simultaneously and instantaneously including to speak and vote at the meeting, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.</u></p> <p>(C) <u>The Board or, at any general meeting, the chairman of the meeting may from time to time make such arrangements for the purpose of managing the level of attendance at any such satellite meeting as they/he shall in their/his absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places and the entitlement of any Member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.</u></p>

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
	<p><u>(D) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall specify the details of the meeting set out in Bye-law 59(2).</u></p> <p><u>(E) All persons seeking to attend and participate in a general meeting: (a) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (b) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities, shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 58B(B), any inability of a person or persons to attend or to communicate simultaneously and instantaneously including to speak and vote at the meeting in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.</u></p>
59. (1)	<p>An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:</p>
59. (2)	<p>The Notice shall specify <u>(a) the time and date of the meeting; (b) save for a meeting held wholly by means of telephone, electronic or other communication facilities, the places of the meeting and if there is more than one meeting location, the Specified Place; (c) if the general meeting is to be held wholly or partly by means of telephone, electronic or other communication facilities, the notice shall include a statement to that effect and with details of the communication facilities for attendance and participation or how such details will be made available by the Company prior to the meeting;</u>the time and place of the meeting and particulars of resolutions to be considered at the meeting and, (d) in case of special business, the general nature of the business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>
61. (3)	<p><u>All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.</u></p>

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- | Bye-law | Proposed Amendments (showing changes to the Existing Bye-laws) |
|----------------|--|
| 62. | If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place (<u>if any</u>) or to such time and place (<u>if any</u>) as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved. |
| 64. | The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (<u>or indefinitely</u>) and (<u>if applicable</u>) from place to place <u>and from one form to another</u> as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting <u>details of meeting set out in Bye-law 59(2)</u> but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment. |
| <u>64A.</u> | <u>If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is unreasonable or impractical for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a tropical cyclone warning signal number 8 or above, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Bye-law shall be subject to the following:</u>

<u>a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of such meeting);</u> |

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
	<p>b) <u>when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;</u></p> <p>c) <u>when a meeting is postponed or changed in accordance with this Bye-law, subject to and without prejudice to Bye-law 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy form) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and</u></p> <p>d) <u>Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.</u></p>
70.	<p><u>All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.</u></p>
81. (2)	<p>Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members <u>or any creditors' meeting</u> provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation <u>including the right to vote and the right to speak.</u></p>
81. (3)	<p>Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law. <u>References in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative or by one or more proxies.</u></p>

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
82. (2)	Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 86 83(4) or for the purposes set out in Bye-law 150(3) relating to the removal and appointment of the Auditor.
83. (2)	The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board under this Bye-law shall hold office only until the next following <u>first</u> annual general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election.
83. (4)	The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director (<u>including a managing or other executive Director</u>) at any time before the expiration of his period <u>term</u> of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
84. (1)	Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement <u>by rotation</u> at least once every three years.

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
134.	No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium accounts.
146. (1)	If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the nominal <u>par</u> value of a share, then the following provisions shall apply:
149.	Subject to Section 88 of the Act and Bye-law 153 , a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.
150.	To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by <u>the Act and other</u> applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

- | Bye-law | Proposed Amendments (showing changes to the Existing Bye-laws) |
|----------------|---|
| 152. (1) | Subject to Section 88 of the Act, at the annual any general meeting or at a subsequent special general meeting in each year , the Members shall <u>may</u> by <u>ordinary resolution</u> appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. |
| 152. (2) | Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual a general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor. |
| 152. (3) | Subject as otherwise provided by the Act, The the Members may, at any general meeting convened and held in accordance with these Bye-laws, by special <u>ordinary resolution</u> remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term. |
| 154. | The remuneration of the Auditor shall be fixed by the Company <u>by ordinary resolution</u> in general meeting or in such manner as the Members may determine. |
| 155. | If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 152(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 152(1) at such remuneration to be determined by Bye-law 154. |

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
158. (1)	<p>Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not; to be given or issued under these Bye-laws, from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or <u>electronic communication</u> and any such Notice and document may be <u>served</u> given or delivered <u>issued by the Company on or to any Member either</u> the following means:</p> <p>(a) <u>by serving it personally on the relevant person;</u> or</p> <p>(b) <u>by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;</u></p> <p>(c) <u>by delivering or, as the case may be, by transmitting leaving it to any</u> at such address as aforesaid; or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served</p> <p>(d) <u>by placing an advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;</u></p> <p>(e) <u>by sending or, to the extent permitted by the applicable laws, transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;</u></p> <p>(f) <u>by placing publishing it on the Company’s website or the website of the Designated Stock Exchange, to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to the member any such person that at the notice, stating that the notice or other document or publication is available thereon the Company’s website or the website to which the relevant person may have access (a “notice of availability”); and</u></p>

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
	<p><u>(g) by sending or otherwise making it available to such person through such other means to the extent permitted and in accordance with the Statutes and other applicable laws, rules and regulations.</u></p>
158. <u>(2)</u>	The notice of availability may be given to the Member by any of the means set out above <u>other than by posting it on a website.</u>
158. <u>(3)</u>	In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
158. <u>(4)</u>	<u>Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</u>
158. <u>(5)</u>	<u>Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.</u>
159. (b)	if sent by electronic <u>transmission or electronic communication</u> , shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent.
159. <u>(c)</u>	A Notice placed if published on the Company's website or the website of the Designated Stock Exchange, is <u>shall be deemed to have been given served on the day on which the notice, document or publication first so appears on by the Company's website to a Member on the day following that on which a notice of availability is deemed served on the Member; which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;</u>
159. (d)	if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and

APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
159. (e)	<u>if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears; and</u>
159. (f)	may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

NOTICE OF ANNUAL GENERAL MEETING



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8075)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the members (the “**Members**”) of Media Asia Group Holdings Limited (the “**Company**”) will be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:15 a.m. (the “**2022 AGM**”) for the following purposes:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the year ended 31 July 2022 and the reports of the directors and the independent auditor thereon;
2. To re-elect, each as a separate Ordinary Resolution, three retiring directors of the Company (the “**Directors**”) and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
3. To re-appoint Ernst & Young, Certified Public Accountants, as the independent auditor of the Company for the ensuing year and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

A. “**THAT**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisation given to the Directors at any time to allot, issue and deal with additional Shares and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below); or
 - (ii) an issue of Shares upon the exercise of rights of subscription, exchange or conversion under the terms of any of the options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares); or
 - (iii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company (the “**Bye-laws**”) from time to time; or
 - (iv) an issue of Shares under any award or option scheme or similar arrangement for the grant or issue to eligible participants under such scheme or arrangement of Shares or rights to acquire Shares,

shall not exceed 20% of the number of the total issued Shares at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company (the “**AGM**”); or
- (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Members in general meeting; or
- (iii) the expiration of the period within which the next AGM is required by law or the Bye-laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares whose names appear on the register of Members and/or the Hong Kong branch register of Members on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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 buy back the issued Shares on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, regulations and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) or of any other stock exchange (as applicable) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of the total issued Shares at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of passing this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next AGM; or
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Members in general meeting; or
 - (iii) the expiration of the period within which the next AGM is required by law or the Bye-laws to be held.”

- C. “THAT** subject to the passing of the Resolutions Nos. 4A and 4B in the notice convening this meeting, the general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the addition thereto of an amount representing the number of Shares which has been bought back by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to buy back such Shares, provided that such amount shall not exceed 10% of the number of the issued Shares at the date of passing this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) conditional upon (i) the passing of an ordinary resolution by the shareholders of eSun Holdings Limited at its general meeting approving the share option scheme of the Company, a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification (the **“New Share Option Scheme”**); (ii) the passing of an ordinary resolution by the shareholders of Lai Sun Development Company Limited at its general meeting approving the New Share Option Scheme; (iii) the passing of an ordinary resolution by the shareholders of Lai Sun Garment (International) Limited at its general meeting approving the New Share Option Scheme; and (iv) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of options to be granted under the New Share Option Scheme, the New Share Option Scheme be and is hereby approved and adopted;
- (b) the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation to:
- (i) administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
- (ii) modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (iii) grant options to subscribe for Shares under the New Share Option Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the GEM Listing Rules;
- (iv) make application at the appropriate time or times to the Listing Committee of the Stock Exchange and any other stock exchanges upon which the issued Shares may, for the time being, be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (v) consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”
- B. “**THAT** the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the service providers under all share schemes of the Company be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”
6. To consider and, if thought fit, pass with or without modifications, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT:**

- (a) the new set of bye-laws of the Company (the “**New Bye-laws**”), a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the new bye-laws of the Company, in substitution for, and to the exclusion of, the existing bye-laws of the Company with immediate effect after the close of this meeting; and
- (b) any Director or the company secretary of the Company be and is hereby authorised to do all such acts as he deems fit to effect the adoption of the New Bye-laws and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in Bermuda and Hong Kong.”

By order of the Board
Media Asia Group Holdings Limited
Wong Lai Chun
Company Secretary

Hong Kong, 31 October 2022

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place
of Business:*
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A Member entitled to attend and vote at the 2022 AGM convened by the above notice (the “**Notice**”) or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend the 2022 AGM and vote on his/her/its behalf in accordance with the Bye-laws. A proxy need not be a Member. A form of proxy for use at the 2022 AGM or its adjournment (as the case may be) is enclosed with the Company’s circular dated 31 October 2022 (the “**Circular**”) and is also available on the respective websites of Hong Kong Exchanges and Clearing Limited (“**HKEX**”) and the Company.

(2) To be valid, a form of proxy, duly signed and completed, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof), must be lodged with the branch share registrar of the Company in Hong Kong (the “**Registrar**”), Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the 2022 AGM or its adjourned meeting (as the case may be) and in default, the proxy will not be treated as valid. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the 2022 AGM or its adjourned meeting (as the case may be) should they so wish. In that event, the said form(s) of proxy will be deemed to have been revoked.

The contact phone number of the Registrar is (852) 2980 1333.

(3) To ascertain the entitlements to attend and vote at the 2022 AGM, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrar not later than 4:30 p.m. on Monday, 12 December 2022 for registration.

(4) Where there are joint holders of any Share, any one of such joint holder may vote at the 2022 AGM or any adjournment thereof (as the case may be), either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the 2022 AGM or any adjournment thereof (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Hong Kong branch register of Members in respect of the joint holding.

(5) In regard of Resolution No. 2 of the Notice,

(a) in accordance with Bye-law 84 of the Bye-laws, Mr. Lui Siu Tsuen, Richard (an Executive Director), Mr. Au Hoi Fung and Mr. Poon Kwok Hing, Albert (both Independent Non-executive Directors) will retire from office as Directors by rotation at the 2022 AGM and, being eligible, offer themselves for re-election; and

(b) in accordance with Rule 17.46A of the GEM Listing Rules, the requisite details of the aforesaid retiring Directors are set out in Appendix II to the Circular.

(6) In regard of Resolution No. 3 of the Notice, the Board (which concurs with the audit committee of the Company) has recommended that subject to the approval of Members at the 2022 AGM, Ernst & Young will be re-appointed the independent auditor of the Company for the year ending 31 July 2023 (the “**Year 2023**”). Members should note that in practice, independent auditor’s remuneration for the Year 2023 cannot be fixed at the 2022 AGM because such remuneration varies by reference to the scope and extent of the audit and other works which the independent auditor is being called upon to undertake in any given year. To enable the Company to determine the amount of such independent auditor’s remuneration charged as operating expenses for the Year 2023, Members’ approval to delegate the authority to the Board to fix the independent auditor’s remuneration for the Year 2023 is required, and is hereby sought, at the 2022 AGM.

(7) Details regarding Resolution No. 4 of the Notice are set out in the Circular.

NOTICE OF ANNUAL GENERAL MEETING

- (8) *With reference to Resolution No. 5 above, the principal terms of the rules of the proposed New Share Option Scheme are set out in Appendix III to the Circular.*
- (9) *With reference to Resolution No. 6 above, the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and Chinese translation, the English version shall prevail. Details of the proposed amendments are set out in Appendix IV to the Circular.*
- (10) *In compliance with Rule 17.47(4) of the GEM Listing Rules and the Bye-laws, voting on all resolutions proposed in the Notice and any other resolutions properly put to the vote of the 2022 AGM will be decided by way of a poll at the 2022 AGM.*
- (11) *If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time after 7:15 a.m. on the date of the 2022 AGM, then the 2022 AGM will be proposed to be adjourned. Members will be informed of the date, time and venue of the adjourned 2022 AGM by a supplementary notice posted on the respective websites of HKEX at www.hkexnews.hk and the Company at www.mediaasia.com.*

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 7:15 a.m. on the date of the 2022 AGM and where conditions permit, the 2022 AGM will be held as scheduled. The 2022 AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

Members should decide on their own whether they would attend the 2022 AGM under a bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.

- (12) *In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at the 2022 AGM or its adjourned meeting (as the case may be) with a view to addressing the risk to attendees of infection, including the following:*
- (i) all attendees will be required to undergo body temperature check;*
 - (ii) all attendees will be required to scan the “LeaveHomeSafe” venue QR code at the entrance of the venue of the 2022 AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);*
 - (iii) any attendees who are subject to health quarantine prescribed by the Government of the Hong Kong Special Administrative Region of the People’s Republic of China will not be admitted to the venue of the 2022 AGM;*
 - (iv) all attendees will be required to wear surgical face masks throughout the 2022 AGM;*
 - (v) each attendee will be assigned a designated seat at the time of registration to ensure social distancing;*
 - (vi) any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of the 2022 AGM; and*
 - (vii) no refreshments or beverages will be provided, and there will be no corporate gifts.*

NOTICE OF ANNUAL GENERAL MEETING

- (13) *The Company reminds Members that they should carefully consider the risks of attending the 2022 AGM, taking into account their own personal circumstances. The Company would like to remind Members that physical attendance in person at the 2022 AGM is not necessary for the purpose of exercising their voting rights and **strongly recommends that Members appoint the chairman of the 2022 AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Members NOT to attend the 2022 AGM in person.***
- (14) *The Company will keep the evolving COVID-19 situation and the associated legal restrictions on public gatherings under constant review and may implement additional measures, which will be announced closer to the date of the 2022 AGM.*