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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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### M Resources Group Limited 脈資資源集團有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0.8.1.8.6)

- (1) CHANGE OF COMPANY NAME;**
- (2) GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (3) RE-ELECTION OF DIRECTORS;**
- (4) ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) ADOPTION OF NEW SHARE AWARD SCHEME;**
- (6) AMENDMENTS TO THE BYE-LAWS; AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (“AGM”) of the Company to be held at 10:30 a.m. on Friday, 30 June 2023 through live webcast is set out on pages 66 to 71 of this circular. A form of proxy for use at the AGM is enclosed with this circular. This circular and the proxy form are also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.m-resources.com.hk](http://www.m-resources.com.hk).

The AGM will be conducted via electronic means (through a live webcast) which can be accessed on a computer, tablet or any browser enabled device. Shareholders and/or their proxy will not be able to attend the AGM in person and can only view and listen to the live webcast of the AGM via electronic means from the start of the AGM until its conclusion. To access the live webcast, the Shareholders will have to register with the Company by sending an email to [info@m-resources.com.hk](mailto:info@m-resources.com.hk) and provide the following particulars: (a) full name; (b) registered address; (c) number of shares held; (d) Hong Kong identity card number/passport number (in case of natural person) or company registration number (in case of body corporate); (e) contact telephone number; and (f) email address, at least 5 clear business days before the date of the AGM or any adjournment thereof to enable the Company to verify the Shareholders’ status. Authenticated Shareholders will receive an email confirmation which contains a link to join the live webcast of the AGM.

All resolutions at the AGM will be decided on a poll. Shareholders may vote by proxy in advance of the AGM. Shareholders who wish to vote on the resolutions should appoint the chairperson of the AGM as their proxy to exercise the right to vote at the AGM in accordance with their instructions. For Shareholders who are not registered Shareholders (e.g. the Shares held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), they should consult their banks or brokers or custodians for assistance in the appointment of a proxy. The proxy form must be returned to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the AGM or any adjournment thereof.

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### **CHARACTERISTICS OF GEM**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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.

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context indicates otherwise:*

“2018 Share Award Scheme”	the share award scheme adopted by the Company on 9 April 2018
“Account”	the securities account opened in the name of the Company for purposes of the New Share Award Scheme and the funds thereof to be held on trust by the Company for the Eligible Participants
“Adoption Date”	the date on which the New Share Option Scheme and the New Share Award Scheme are adopted by ordinary resolution passed by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be convened and held at 10:30 a.m., on Friday, 30 June 2023 through live webcast
“Award”	an award of Awarded Shares (together with any Related Income) by the Board to an Eligible Participant
“Award Amount”	in respect of an Eligible Participant, the closing price of the Shares as quoted on the Stock Exchange as at the date of grant of the Awarded New Share, or the date the Trustee purchases the Awarded Existing Shares on the market, multiplied by the number of the Awarded Shares
“Awarded Existing Shares”	in respect of an Eligible Participant, such number of Shares determined by the Board and purchased by the Trustee on the market
“Awarded New Shares”	in respect of an Eligible Participant, such number of Shares determined by the Board and issued by the Company out of its available Scheme Limit
“Awarded Shares”	the Awarded Existing Shares and the Awarded New Shares
“Benefit”	the Awarded Shares and the Related Income
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company currently in force

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## DEFINITIONS

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“Change of Name”	the change of the English name of the Company from “M-Resources Group Limited” to “Almana Limited” and to adopt and register a new Chinese name “曼納有限公司” as the secondary name of the Company to replace the existing Chinese name “脈資資源集團有限公司”
“Company”	M-Resources Group Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on GEM
“Directors”	the directors of the Company
“Eligible Participant”	any person who is eligible to receive an Award under the New Share Award Scheme or a Share Option under the New Share Option Scheme, who could be an Employee Participant, a Related Entity Participant or a Service Provider
“Employee Participant”	director and employee of the Company or any of its subsidiaries (including persons who are granted Share Options or Awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“Excluded Person”	any person or entity who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person or entity
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Shares upon exercise of a Share Option
“Extension Mandate”	the extension of the General Mandate granted to the Board to the effect that any Share repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate

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## DEFINITIONS

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“Further Shares”	such Shares purchased by the Trustee at the direction of the Board out of cash income or net proceeds of sale of non-cash and non-scrip distributions distributed by the Company in respect of the Awarded Shares held by the Trustee
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate to be granted to the Board for the Company to allot, issue and deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of the AGM
“Grantee”	an Eligible Participant who accepts the Offer
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	31 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“New Share Award Scheme”	the share award scheme to be adopted by an ordinary resolution passed by the Shareholders at the AGM
“New Share Option Scheme”	the new share option scheme to be adopted by an ordinary resolution passed by the Shareholders at the AGM
“Offer”	an offer for the grant of a Share Option and/or an Award
“Offer Date”	the date on which the Board resolves to make an Offer to an Eligible Participant
“Option Period”	which in respect of any Share Option, a period during which such Share Option can be exercised, being the period to be determined and notified by the Directors to the Grantee thereof, save that such period shall not be more than ten years from the Offer Date
“Personal Representative”	the person who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is entitled to exercise the Share Option or to receive the Awarded Shares granted to such Grantee

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## DEFINITIONS

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“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant”	director or employee of the Related Entity
“Related Income”	the income derived from the Awarded Shares held by the Trust (including but not limited to any cash dividend, Further Shares, bonus Shares and scrip Shares received)
“Relevant Event”	any variation in the issued share capital of the Company which arises following the Adoption Date from any issue of shares in or other securities of the Company by way of capitalization of profits or reserves or by way of rights under an offer made pro rata to Shareholders (but shall not include the issue of securities as consideration in any transaction whatsoever) or from any sub-division or consolidation of shares in the capital of the Company or reduction of the share capital of the Company
“Repurchase Mandate”	the repurchase mandate granted to the Board for the Company to repurchase up to a maximum of 10% of the number of Shares in issue as at the date of the AGM
“Residual Cash”	being cash remained in the Account in respect of the Awarded Shares (including interest income derived from deposits maintained with financial institutions, cash income and sale proceeds which have not been applied in the acquisition of Further Shares)
“Returned Shares”	such Awarded Shares and Related Income which are not vested and/or forfeited in accordance with the terms of the New Share Award Scheme or such Shares deemed to be Returned Shares
“Scheme Limit”	the total number of new Shares which may be allotted and issued upon exercise of all share options and grant of share awards under the New Share Option Scheme, the New Share Award Scheme and any other share scheme of the Company and which shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the day immediately preceding the tenth anniversary thereof

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## DEFINITIONS

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“Service Provider”	person who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business, including but not limited to person who works for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of the employees of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity
“Service Provider Sublimit”	a sub-limit (which must not exceed 1% of the issued Shares as at the date of approval of this sub-limit by the Shareholders at the AGM) on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share schemes of the Company to the Service Providers
“Share”	the ordinary share of HK\$0.08 each in the share capital of the Company
“Share Option”	Option to subscribe for Shares granted
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong
“Shareholder”	the holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed as may be entered into between the Company and the Trustee (as restated, supplemental and amended from time to time)

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## DEFINITIONS

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“Trustee”	being the trustee of the trust declared in the Trust Deed, as may be appointed by the Company for the administration of the New Share Award Scheme, and any additional or replacement trustee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



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## LETTER FROM THE BOARD

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### M Resources Group Limited 脈資資源集團有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0.8.1.8.6)

*Executive Director:*  
CHAN Ho Yee

*Independent non-executive Directors:*  
PANG King Sze, Rufina  
HONG Bingxian  
HUANG Zhe

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
35/F, Two Pacific Place  
88 Queensway, Admiralty  
Hong Kong

7 June 2023

*To the Shareholders*

Dear Madam or Sir,

- (1) CHANGE OF COMPANY NAME;**
- (2) GRANT OF GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES;**
- (3) RE-ELECTION OF DIRECTORS;**
- (4) ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) ADOPTION OF NEW SHARE AWARD SCHEME;**
- (6) AMENDMENTS TO THE BYE-LAWS; AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### CHANGE OF NAME

The Board proposes to change the Company's English name from "M-Resources Group Limited" to "Almana Limited" and its Chinese name from "脈資資源集團有限公司" to "曼納有限公司". The Change of Name will provide the Company with a new corporate image which will benefit the Company's future business development. Accordingly, the Board is of the view that the Change of Name is in the interests of the Company and the Shareholders as a whole.

The Change of Name is subject to (i) the passing of a special resolution by the Shareholders approving the Change of Name at the AGM; and (ii) approval of the Registrar of Companies in Bermuda for the Change of Name. The Change of Name will take effect after satisfaction of the above conditions and from the date of entry of the new English and Chinese names of the Company into the register of companies maintained by the Registrar of Companies in Bermuda in place of the existing names. Thereafter, the Company will carry out the filing and registration procedures with the Companies Registry in Hong Kong. The Company will make further announcements on the effective date of the Change of Name and the new stock short names of the Company for trading on the Stock Exchange as and when appropriate.

The Change of Name will not affect any right of the existing Shareholders or the Company's business operation and financial position. All existing share certificates of the Company in issue bearing its existing name will continue to be evidence of legal title and valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for the exchange of share certificates under its existing name for new share certificates under the new name. Once the Change of Name becomes effective, the new share certificates will be issued only in its new name.

### GENERAL MANDATE AND REPURCHASE MANDATE

The Board proposes to seek the Shareholders' approval to grant to the Directors the General Mandate (including the Extension Mandate) and the Repurchase Mandate.

An ordinary resolution will be proposed to give the Directors an unconditional general mandate (i.e. the General Mandate) for the Company to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for the directors and/or employees of the Company and any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on the Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of up to 20% of the number of issued Shares as at the date of the AGM. In addition, a separate ordinary resolution will be proposed for the Extension Mandate authorising the Directors to cause the Company to allot, issue and deal with Shares to include the number of Shares which may be repurchased pursuant to the Repurchase Mandate. Based on the 28,467,160 Shares in issue as at the Latest Practicable Date and assuming there being no further change in the number

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## LETTER FROM THE BOARD

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of issued Shares between the Latest Practicable Date and the date of the AGM, the General Mandate would allow the Company to allot, issue and deal with a maximum of 5,693,432 Shares.

An ordinary resolution will be proposed to give the Directors an unconditional general mandate (i.e. the Repurchase Mandate) for the Company to repurchase Shares on GEM up to 10% of the number of issued Shares as at the date of the AGM. Based on the 2,846,716 Shares in issue as at the Latest Practicable Date and assuming there being no further change in the number of issued Shares between the Latest Practicable Date and the date of the AGM, the Repurchase Mandate would allow the Company to repurchase a maximum of 2,846,716 Shares. An explanatory statement, which contains all the information required under the GEM Listing Rules to enable the Shareholders to make an informed decision as to how to vote in respect of the resolution, is set out in Appendix I to this circular.

The General Mandate (including the Extension Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the Extension Mandate) and the Repurchase Mandate up to (i) conclusion of the next annual general meeting of the Company; or (ii) expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the Extension Mandate) or the Repurchase Mandate by an ordinary resolution of the Shareholders at a general meeting, whichever occurs first.

### **RE-ELECTION OF DIRECTORS**

Ms. Pang King Sze, Rufina and Mr. Hong Bingxian shall retire from office at the AGM and, being eligible, will offer themselves for re-election as independent non-executive Directors at the AGM. Ordinary resolutions will be proposed at the AGM to re-elect Ms. Pang and Mr. Hong as independent non-executive Directors. Particulars of Ms. Pang and Mr. Hong are set out in Appendix II to this circular.

### **ADOPTION OF NEW SHARE OPTION SCHEME**

The Company adopted a share option scheme pursuant to the resolution passed by the Shareholders on 10 June 2011 and that share option scheme, which had remained in force for a period of 10 years from the date of its adoption, had expired on 11 June 2021. As at the Latest Practicable Date, the Company did not have any outstanding share option under that share option scheme.

The Board proposes to adopt the New Share Option Scheme in accordance with Chapter 23 of the GEM Listing Rules. A summary of the principal terms of the New Share Option Scheme is set out in Appendix IV to this circular. The purpose of the New Share Option Scheme is not solely to recognise the past contribution of the Eligible Participants. It is to provide the Eligible Participants with incentives for their future contribution to the Group.

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## LETTER FROM THE BOARD

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The adoption of the New Share Option Scheme aligns with the market practice of providing incentives to Employee Participants to work towards achieving the long-term objectives for the benefit of the Group as a whole. The Board (including the independent non-executive Directors) also considers that the proposed categories of the Service Providers and the Related Entity Participants are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and will help maintaining or enhancing the competitiveness of the Group:

- (i) For Related Entity Participants, although they may not be directly appointed and employed by the Group, they are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships and they may involve in projects or other business engagements relating to or having connections with the Group's businesses or may have joint involvement in work projects from time to time. The Company considers it important to recognize the contributions or future contribution of such Related Entity Participants and strengthen their loyalty with the Group by giving them incentive through their participations in the New Share Option Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development will contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies; and
- (ii) For Service Providers, the Group has collaborated with independent contractors (including advisers, for service providers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) who have provided services such as advisory services and consultancy services to the Group (but, for the avoidance of doubt, excluding 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 specialized skills in relation to the Group's business operation, financial and management advisory and consulting. The Group may require new types of 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 plans from time to time. In such case, the Board will determine whether the relevant Service Providers providing such services are eligible to participate in the New Share Option Scheme based on whether such 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.

The Board will determine the eligibility of the Employee Participants, the Related Entity Participants and the Service Providers in its sole discretion by considering all relevant factors as appropriate (as detailed in paragraph 1.2 in Appendix IV). The New Share Option Scheme may or may not prescribe specific performance targets that must be met before Share Options can be

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## LETTER FROM THE BOARD

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exercised or clawback mechanism to recover or withhold Share Options granted. The rules of the New Share Option Scheme will give the Board discretion to impose such conditions on the Share Options or prescribe such clawback mechanism where appropriate. The Board considers it more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant. Where Share Options are granted to the directors or senior management of the Company without performance targets or clawback mechanism, the relevant announcement will include the view of the remuneration committee of the Board on why performance target or clawback mechanism is not necessary and how the grants would align with the purpose of the New Share Option Scheme.

The Exercise Price in respect of any particular Share Option will be such price as determined by the Board in its discretion at the time of the grant of the relevant Share Option but in any event the Exercise Price shall be at least the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date; or (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of the Shares on the Offer Date.

The vesting period of Share Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period of 12 months. However, the Board is of the view that flexibility should be given to the Company to (i) adapt to exceptional and justified circumstances; and (ii) attract talents or reward exceptional performers with accelerated vesting and the discretion is appropriate and in line with the purpose of the New Share Option Scheme. Therefore, there could be a shorter vesting period at the discretion of the Board under certain circumstances in relation to the grant of an Offer to the Employee Participants.

The total number of Shares which may be allotted and issued upon exercise of all share options or share awards under the New Share Option Scheme and the New Share Award Scheme (and any other share scheme of the Company) must not in aggregate exceed the Scheme Limit. Based on the 28,467,160 Shares in issue as at the Latest Practicable Date and assuming there being no issue or repurchase of Shares from the Latest Practicable Date to the Adoption Date, the maximum number of Shares that can be issued under the New Share Option Scheme and the New Share Award Scheme (and any other share scheme of the Company) is 2,846,716.

In determining the Service Provider Sublimit, the Board considers that it is important to ensure that the New Share Option Scheme and the New Share Award Scheme are attractive and provide sufficient incentives to Service Providers who are able to contribute to core functions on which the Group relies in its ordinary and usual course of business. As such the Board has set the Service Provider Sublimit at 1% of the total number of Shares in issue on the Adoption Date, being no more than 284,671 Shares. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the actual or expected contribution in the Group's revenue or profits which is attributable to Service Providers, the nature of the Service Providers' contribution to the long-term growth of the Group's principal business and the future capital needs of the Group. The Service Provider

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## LETTER FROM THE BOARD

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Sublimit is subject to separate approval by the Shareholders at the AGM. Taking into account (i) the benefit to and needs of the Group to provide long-term equity incentives to maintain the recurring and continuing contributions of the Service Providers in relation to the business of the Group; and (ii) the minimal potential dilution to the shareholding of public Shareholders following grant of the Share Options and the Awards to Service Providers, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

No trustee has been appointed under the New Share Option Scheme. None of the Directors is and will be a trustee of the New Share Option Scheme.

The New Share Option Scheme or the grant of any Share Option thereunder is conditional on (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the adoption of the New Share Option Scheme and to authorise the Board to grant Share Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of Share Options; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of Share Options. Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares.

It is inappropriate and impractical to state the value of the Share Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date because a number of variables which are necessary for the calculation of the value of the Share Options cannot be ascertained at this stage, including the exercise price, exercise period, interest rate, any performance target set and other relevant variables. As such, the Board believes that calculation of the value of the Share Options as of the Latest Practicable Date based on speculative assumptions on the variables would not be meaningful to the Shareholders.

### **ADOPTION OF NEW SHARE AWARD SCHEME**

The 2018 Share Award Scheme was adopted by the Company on 9 April 2018 and has a term of 10 years from the date of adoption. The 2018 Share Award Scheme, which provides that awards may be satisfied by (i) issuance of new Shares; and (ii) existing Shares acquired from the market, has no award granted but not yet vested and does not hold any Share as at the Latest Practicable Date. Apart from the 2018 Share Award Scheme, the Company has no other subsisting share award scheme as at the Latest Practicable Date. In light of the new requirements under the GEM Listing Rules with respect to share schemes, the Board proposes to terminate the 2018 Share Award Scheme and adopt the New Share Award Scheme. It is proposed that subject to the approval of the adoption of the New Share Award Scheme by the Shareholders at the AGM and the Stock Exchange granting approval for the listing of, and permission to deal in, the Awarded New Shares which fall to be allotted and issued upon the grant of the Awards, the 2018 Share Award Scheme shall be terminated and the New Share Award Scheme shall take effect. No award of Shares will be granted under the 2018 Share Award Scheme prior to the AGM.

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## LETTER FROM THE BOARD

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The purpose of the New Share Award Scheme is not solely to recognize the past contribution of the Eligible Participants. It is to provide the Eligible Participants with incentives for their future contribution to the Group. A summary of the principal terms of the New Share Award Scheme is set out in Appendix V to this circular. The Board is of the view that the adoption of the New Share Award Scheme aligns with the market practice of providing incentives to Eligible Participants to work towards long-term objectives of the Group. The Board will determine the eligibility of the Eligible Participants in its sole discretion by considering relevant factors as appropriate (as detailed in paragraph 3.2 in Appendix V). The New Share Award Scheme may or may not prescribe specific performance targets that must be met before the vesting of an Award or clawback mechanism to recover or withhold the Award granted to an Eligible Participant. The rules of the New Share Award Scheme will give the Board discretion to impose such conditions on the Awards or prescribe such clawback mechanism where appropriate. The Board considers it beneficial to the Company to retain the flexibility in determining whether conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant. Where the Awards are granted to the directors or senior management of the Company without performance target or clawback mechanism, the relevant announcement will include the view of the remuneration committee of the Board on why performance target or clawback mechanism is not necessary and how the grants would align with the purpose of the New Share Award Scheme. There is no amount payable by an Eligible Participant on acceptance of an Award.

The vesting period of an Award granted under the New Share Award Scheme shall be determined by the Board subject to a minimum period of 12 months. However, the Board is of the view that flexibility should be given to the Company to (i) adapt to exceptional and justified circumstances; and (ii) attract talents or reward exceptional performers with accelerated vesting and the discretion is appropriate and in line with the purpose of the New Share Award Scheme. Therefore, there could be a shorter vesting period at the discretion of the Board under certain circumstances in relation to the grant of an Offer to the Employee Participants.

The Board considers that (i) the basis of determining the eligibility of the Eligible Participants, (ii) the vesting period and (iii) the clawback mechanisms can, as a whole, serve as effective incentives to Eligible Participants to work towards the long-term objectives of the Group and, therefore, the terms of the New Share Award Scheme align with its purposes i.e. recognising the contributions of the Eligible Participants to the Group, providing them with incentives in order to retain them for the continual development of the Group and attracting suitable personnel for further development of the Group.

The total number of Shares which may be allotted and issued upon exercise of all share options and grant of share awards under the New Share Award Scheme and the New Share Option Scheme (and any other share scheme of the Company) must not in aggregate exceed the Scheme Limit. Based on the 28,467,160 Shares in issue as at the Latest Practicable Date and assuming there being no issue or repurchase of Shares from the Latest Practicable Date to the Adoption Date, the maximum number of Shares that can be issued under the New Share Award Scheme or the New Share Option Scheme (and any other share scheme of the Company) is 2,846,716. The New Share Award Scheme constitutes a share scheme under the GEM Listing

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## LETTER FROM THE BOARD

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Rules and the adoption of the New Share Award Scheme is subject to approval of the Shareholders at the AGM. Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued and granted as Awarded New Share under the New Share Award Scheme.

None of the Directors is a trustee of the New Share Award Scheme or has any direct or indirect interest in the trustee of the New Share Award Scheme.

### AMENDMENTS TO BYE-LAWS

The Board proposes certain amendments to the Bye-laws to align with changes to the requirements under the amended Appendix 3 to the GEM Listing Rules which took effect on 1 January 2022. The proposed amendments to the Bye-laws are subject to approval of the Shareholders by way of a special resolution at the AGM. The legal advisers of the Company as to Hong Kong Laws and Bermuda laws, have confirmed to the Company that the amendments comply with the requirements of the GEM Listing Rules and do not violate the Bermuda law respectively. In addition, the Company also confirms that there is nothing unusual in the amendments for a company listed on the Stock Exchange. Details of the amendments are set out in Appendix III to this Circular.

### AGM

A notice convening the AGM is set forth on pages 66 to 71 of this circular. All the resolutions set out in the notice of AGM shall be taken by poll and an announcement on the results of the AGM will be made by the Company after the AGM.

The Company will conduct the AGM at the principal place of business in Hong Kong via electronic means i.e. a live webcast which can be accessed from a computer, tablet or any browser enabled device. Shareholders and/or their proxy will not be able to attend the AGM in person and can only view and listen to the live webcast of the AGM via electronic means from the start of the AGM until its conclusion. To access the live webcast, Shareholders will have to register with the Company by sending an email to [info@m-resources.com.hk](mailto:info@m-resources.com.hk) and provide the following particulars: (a) full name; (b) registered address; (c) number of Shares held; (d) Hong Kong identity card number/passport number (in case of natural person) or company registration number (in case of body corporate); (e) contact telephone number; and (f) email address, at least 5 clear business days before the date of the AGM or any adjournment thereof to enable the Company to verify the Shareholders' status. Authenticated Shareholders will receive an email confirmation which contains a link to join the live webcast of the AGM. Shareholders must not forward the link to any other person. Shareholders may submit questions in relation to any resolution set out in the Notice of AGM at least 5 clear business days before the date of the AGM via email to [info@m-resources.com.hk](mailto:info@m-resources.com.hk) and provide the above-mentioned particulars for verification purpose.



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## LETTER FROM THE BOARD

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Shareholders may vote on the resolutions by proxy in advance of the AGM. Shareholders who wish to vote on the resolutions should appoint the chairperson of the AGM as his/her/its proxy to exercise the right to vote at the AGM in accordance with their instructions. The proxy form is posted to Shareholders together with this circular. The proxy form may also be downloaded from the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.m-resources.com.hk](http://www.m-resources.com.hk). For Shareholders who are not registered Shareholders (e.g. the Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), they should consult their banks or brokers or custodians (as the case may be) for assistance in the appointment of a proxy. The proxy form should be returned to the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the AGM or any adjournment thereof.

For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both dates inclusive) during which period no transfer of the Shares will be registered. In order to be qualified for the entitlement to attend and vote at the AGM, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Share Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 26 June 2023.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in any of the resolutions to be proposed at the AGM and, accordingly, no Shareholder is required to abstain from voting on any resolution.

### RECOMMENDATION

The Directors consider that (i) the Change of Name; (ii) the grant of the General Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of Directors; (iv) the adoption of the New Share Option Scheme; (v) the adoption of the New Share Award Scheme; and (vi) the amendments to the Bye-laws are in the interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all the resolutions.

### MISCELLANEOUS

As at the Latest Practicable Date, none of the Directors had interest in any business which competed or would likely compete, either directly or indirectly, with the businesses of the Company.

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 is no other matter the omission of which would make any statement herein or this circular misleading. The English text of this circular shall prevail over the Chinese text for purpose of interpretation of the resolutions proposed at the AGM.

Yours faithfully  
For and on behalf of the Board  
**M-Resources Group Limited**  
**Chan Ho Yee**  
*Executive Director*

*This Appendix I serves as an explanatory statement to Shareholders relating to the resolution authorizing the Repurchase Mandate and contains all information pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules set out as follows:*

**1. NUMBER OF SHARES WHICH MAY BE REPURCHASED**

Exercising in full of the Repurchase Mandate, on the basis of 28,467,160 Shares in issue as at the Latest Practicable Date, would result in a maximum of 2,846,716 Shares being repurchased by the Company prior to its next annual general meeting.

**2. REASONS FOR THE REPURCHASE MANDATE**

The Directors consider that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to cause the Company to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Repurchase Mandate will only be exercised when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole.

**3. SOURCES OF FUND**

In repurchasing the Shares, the Company will only apply funds legally available for such purpose in accordance with the Bye-laws, the laws of Bermuda and the GEM Listing Rules. The Company will not purchase the Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

**4. EFFECT OF EXERCISING THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company as at 31 December 2022, being the date of its latest published audited consolidated financial statements). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent that would have a material adverse effect on the working capital requirements or the gearing level of the Group.

**5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

As at the Latest Practicable Date, no Director, his/her close associate or core connected person (as defined in the GEM Listing Rules) has notified the Company that he/she/it has intention to sell Shares to the Company nor has he/she/it undertaken not to do so after the Repurchase Mandate is approved by the Shareholders at the AGM.

**6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Bye-laws, the GEM Listing Rules and the applicable laws of Bermuda.

**7. TAKEOVERS CODE**

An increase in a shareholder's proportionate interest in the voting right of the Company due to repurchase of Shares pursuant to the Repurchase Mandate will be treated as an acquisition for purposes of the Takeovers Code. If, as a result of such repurchase, a Shareholder (or a group of Shareholders acting in concert as defined under the Takeovers

Code) obtains or consolidates control of the Company, he/she/it may become obliged to make a mandatory offer in accordance with Rule 26 or 32 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that it will result in any of the Shareholders being obliged to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

**8. NO REPURCHASE OF SHARES BY THE COMPANY**

The Company did not purchase any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on GEM in the twelve months prior to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2022</b>		
May	0.345	0.285
June	0.345	0.241
July	0.270	0.211
August	0.380	0.180
September	0.500	0.255
October	0.360	0.234
November	0.300	0.280
December	0.380	0.241
<b>2023</b>		
January	0.242	0.192
February	0.300	0.215
March	0.450	0.215
April	0.365	0.270
May	0.365	0.201

*Particulars of the Directors who will retire from office at the AGM and, being eligible, will offer themselves for re-election at the AGM, are set out below:*

**RE-ELECTION OF DIRECTORS**

Ms. Pang King Sze, Rufina, aged 48, has more than 20 years of experience in audit, financial management and internal control. Ms. Pang is the co-founder and a partner of a certified public accountant firm in Hong Kong. Ms. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a member of the New Zealand Institute of Chartered Accountants. Ms. Pang holds a bachelor's degree in business. Ms. Pang has not entered into a service contract with the Company and her director's fee for the year ended 31 December 2022 was HK\$180,000, which was determined with reference to her duties and responsibility and the prevailing market condition. Ms. Pang (i) does not hold any other position in the Company and other members of the Group; (ii) did not hold directorship in any other listed public companies in the past three years; (iii) does not have relationship with any other director, senior management and substantial shareholder of the Company; and (iv) does not have, and is not deemed to have any interest or short positions in any shares, underlying shares of the Company (as defined under Part XV of the SFO).

Mr. Hong Bingxian, aged 55, has 30 years of experience in production and international trade with substantial knowledge in logistics management and production process. Mr. Hong is the founder and the managing director of a household manufacturing group and an education group in China. Mr. Hong has not entered into a service contract with the Company and his director's fee for the year ended 31 December 2022 was HK\$96,000, which was determined with reference to his duties and responsibility and the prevailing market condition. Mr. Hong (i) does not hold any other position in the Company and other members of the Group; (ii) did not hold directorship in any other listed public companies in the past three years; (iii) does not have relationship with any other director, senior management and substantial shareholder of the Company; and (iv) does not have, and is not deemed to have any interest or short positions in any shares, underlying shares of the Company (as defined under Part XV of the SFO).

Save as disclosed above, as far as the Board is aware, there is no other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules nor is there any other matter relating to the re-election of Ms. Pang and Mr. Hong as independent non-executive Directors that needs to be brought to the attention of the Shareholders.

*Set out below are the proposed amendments to the Bye-laws:*

**1. Bye-law 1**

(a) By deleting bye-law 1(C) in its entirety and replacing it with the following:

“(C) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or, by its duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-law 63.”

(b) By deleting bye-law 1(D) in its entirety and replacing it with the following:

“(D) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or by its duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which not less than 14 days’ notice has been duly given in accordance with Bye-Law 63.”

(c) By adding the following as a new bye-law 1(F):

“(F) A resolution shall be an Extraordinary Resolution when it has been passed by a majority of not less than two thirds of votes cast by such shareholders as, being entitled so to do, vote in person or by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-Law 63.”

**2. Bye-law 2**

By deleting bye-law 2 in its entirety and replacing it with the following:

“Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the Memorandum of Association or to change the name of the Company. No Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made until the same has been approved by a resolution of the Directors and confirmed by a Special Resolution of the shareholders.”

**3. Bye-law 6**

By deleting bye-law 6(A) in its entirety and replacing it with the following:

“The authorised share capital of the Company at the date on which these Bye-Laws come into effect is HK\$200,000,000 divided into 2,500,000,000 shares of HK\$0.08 each.”

**4. Bye-law 14**

By adding the following as new bye-laws 14(C) and 14(D):

“(C) The Principal Register and branch register of shareholders, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members without charge at the Registered Office or such other place at which the Principal Register is kept in accordance with the Companies Act.

(D) The Principal Register including any overseas or local or other branch register of shareholders may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers circulating generally in Hong Kong in accordance with the requirements of The Stock Exchange of Hong Kong Limited in such manner as may be accepted by The Stock Exchange of Hong Kong Limited to that effect, be closed at such times or for such periods not exceeding in the whole thirty days in each year as the Board may determine and either generally or in respect of any class of shares.”

**5. Bye-law 44**

By deleting bye-law 44 in its entirety and replacing it with the following:

“The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspapers in accordance with the requirements of The Stock Exchange of Hong Kong Limited or by any means in such manner as may be accepted by The Stock Exchange of Hong Kong Limited to that effect for such periods as the Board may determine and either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.”

**6. Bye-law 60**

By deleting bye-law 60(A) in its entirety and replacing it with the following:

“Subject to the Companies Act, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and such annual general meeting must be held within six months after the end of the Company’s financial year (or such longer period as may be permitted by the GEM Listing Rules, if any). The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. Notwithstanding any provisions in these Bye-Laws, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence in person at such meeting. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in these Bye-Laws shall, *mutatis mutandis*, apply to a general meeting held wholly by or in-combination with electronic means.”

**7. Bye-law 62**

By deleting bye-law 62 in its entirety and replacing it with the following:

“The Directors may whenever they think fit call special general meetings, and one or more shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Directors or the Secretary, to require a special general meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition.”

**8. Bye-law 63**

By deleting bye-law 63 in its entirety and replacing it with the following:

“An annual general meeting shall be called by at least twenty-one days’ notice in writing, and all other general meeting (including special general meeting) shall be called by at least fourteen days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that, subject to the provisions of the Companies Act, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. of the total voting rights at the meeting of all the shareholders of the Company.”

**9. Bye-law 66**

By deleting bye-law 66 in its entirety and replacing it with the following:

“For all purposes the quorum for a general meeting shall be two shareholders present in person or by its duly authorised corporate representative or by proxy and entitled to vote or, for quorum purposes only, two persons appointed by the Clearing House as authorised representative or proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.”

**10. Bye-law 70**

By deleting bye-law 70 in its entirety and replacing it with the following:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three shareholders present in person or by its duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person or by its duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting;
- (iv) by any shareholder or shareholders present in person or by its duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a shareholder or in the case of a shareholder being a corporation by its duly authorised corporate representative shall be deemed to be the same as a demand by a shareholder.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

**11. Bye-law 76**

By deleting bye-law 76 in its entirety and replacing it with the following:

“(A) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every shareholder who is present in person or by its duly authorised corporate representative or by proxy shall have one vote, and on a poll every shareholder present in person or by its duly authorised corporate representative or by proxy, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid up on the share). Notwithstanding anything contained in these



Bye-Laws, where more than one proxy is appointed by a shareholder of the Company which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll a shareholder entitled to more than one vote need not use all his votes or cast his votes in the same way. Where any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

- (B) Subject to the maintenance of the order of the general meeting by the Chairman of the general meeting, all shareholders shall have the right to (a) speak at the general meeting and (b) vote at general meeting except where a shareholder is required, by the GEM Listing Rules, to abstain from voting to approve the matter under consideration.”

## 12. Bye-law 81

By deleting bye-law 81 in its entirety and replacing it with the following:

“Any shareholder of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes, whether on a show of hands or on a poll, may be given either personally or by its duly authorised corporate representative or by proxy. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy needs not be a shareholder. In addition, a proxy or proxies representing either an individual shareholder or a shareholder which is a corporation, shall be entitled to exercise the same rights and powers on behalf of the shareholder which he or they represent as such shareholder could exercise, including the right to vote individually on a show of hands in accordance with Bye-Law 76(A).”

## 13. Bye-law 87

By deleting bye-law 87(A) in its entirety and replacing it with the following:

“(A) Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its corporate representative at any meeting of the Company or of any class of shareholders of the Company, and the person so authorised shall be entitled to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company. References in these Bye-Laws to a shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a shareholder represented at the meeting by such duly authorised corporate representative or by one or more proxies. Nothing contained in this Bye-law shall prevent a corporation which is a shareholder of the Company from appointing one or more proxies to represent it pursuant to Bye-law 81.”

**14. Bye-law 102**

By deleting bye-law 102(B) in its entirety and replacing it with the following:

“(B) The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, subject to authorisation by the shareholders in general meeting, as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

**15. Bye-law 163**

(a) By deleting bye-law 163(B) in its entirety and replacing it with the following:

“(B) Subject to Section 88 of the Companies Act, the Company shall at each annual general meeting or at a subsequent special general meeting in each year appoint one or more firms of Auditors and such Auditor shall hold office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be capable of being appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. Subject as otherwise provided by the Companies Act, the remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting by Ordinary Resolution except that in any particular year the Company in general meeting may by Ordinary Resolution delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.”

(b) By adding the following as a new bye-law 163(C):

“(C) The shareholders may, at any general meeting convened and held in accordance with these Bye-Laws, by Extraordinary Resolution remove the Auditors at any time before the expiration of its term of office and shall by Ordinary Resolution at that meeting appoint another Auditors in its stead for the remainder of this term.”

*For Shareholders' ease of reference, set out below are the proposed amendments to the Bye-laws highlighting the proposed changes:*

### 1. Amendments to the existing Bye-laws

The following Bye-laws shall be amended as below:

<u>Bye-laws No.</u>	<u>Amendments</u>
---------------------	-------------------

- |      |   |
|------|---|
| 1(C) | A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or, by its duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which <u>notice has been duly given in accordance with Bye-law 63</u> <del>not less than 21 days' notice, specifying (without prejudice to the power contained in these presents amend the same) the intention to propose the resolution as a Special Resolution, has been duly given. Provided that, if it is so agreed by a majority in number of the shareholders having a right to attend and vote at any such meeting, being a majority together holding less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given.</del> |
| 1(D) | A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or by its duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which not less than 14 days' notice has been duly given <u>in accordance with Bye-Law 63</u> <del>Provided that, if it is so agreed by a majority in number of the shareholders having a right to attend and vote at any such meeting, being a majority together holding less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as an Ordinary Resolution at a meeting of which less than 14 days' notice has been given.</del>  |
| 2    | Without prejudice to any other requirements of the Statutes, a Special Resolution shall be required to alter the Memorandum of Association, <del>to approve any amendment of these presents or to change the name of the Company. No Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made until the same has been approved by a resolution of the Directors and confirmed by a Special Resolution of the shareholders.</del> <u>to approve any amendment of these presents or to change the name of the Company. No Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made until the same has been approved by a resolution of the Directors and confirmed by a Special Resolution of the shareholders.</u>   |

- 6.(A) The authorised share capital of the Company at the date on which these Bye-Laws come into effect is ~~HK\$20,000,000~~200,000,000 divided into ~~2,500,000,000~~ shares of ~~HK\$0.01~~0.08 each.
44. The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspapers in accordance with the requirements of The Stock Exchange of Hong Kong Limited or by any means in such manner as may be accepted by The Stock Exchange of Hong Kong Limited to that effect ~~an appointed newspaper and in the Newspapers at such times and for such periods as the Board may from time to time determine~~ and either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.
- 60.(A) Subject to the Companies Act, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and such annual general meeting must be held within six months after the end of the Company's financial year (or such longer period as may be permitted by the GEM Listing Rules, if any). ~~and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.~~ The annual general meeting shall be held in the Relevant Territory or elsewhere, as may be determined by the Board and at such time and place as the Board shall appoint. Notwithstanding any provisions in these Bye-Laws, any general meeting of the shareholders or any class meeting thereof may be held by means of such telephone, electronic or other communication facilities as 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. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in these Bye-Laws shall, mutatis mutandis, apply to a general meeting held wholly by or in combination with electronic means.
63. An annual general meeting shall be called by at least twenty-one days' notice in writing, and all other general meetings (including special general meetings) shall be called by at least fourteen days' notice in writing. ~~An annual general meeting and a meeting called for the passing of a Special Resolution shall be called by at least twenty-one days' notice in writing, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a Special Resolution shall be called by at least fourteen days' notice in writing.~~ The notice shall be exclusive of the day on which it is served or deemed to be served and of

the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Bye-Laws, entitled to receive such notices from the Company, provided that, subject to the provisions of the Companies Act, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Bye-Law be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. ~~in nominal value of the shares giving that right of the total voting~~ rights at the meeting of all the shareholders of the Company.

66. For all purposes the quorum for a general meeting shall be two shareholders present in person or by its duly authorised corporate representative or by proxy and entitled to vote; or, for quorum purposes only, two persons appointed by the Clearing House as authorised representative or proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting.

70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three shareholders present in person or by its duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person or by its duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting;

- (iv) by any shareholder or shareholders present in person or by its duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a shareholder or in the case of a shareholder being a corporation by its duly authorised corporate representative shall be deemed to be the same as a demand by a shareholder.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

76.(A)

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every shareholder who is present in person or by its duly authorised corporate representative or by proxy shall have one vote, and on a poll every shareholder present in person or by its duly authorised corporate representative or by proxy, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Bye-Law as paid up on the share). Notwithstanding anything contained in these Bye-Laws, where more than one proxy is appointed by a shareholder of the Company which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll a shareholder entitled to more than one vote need not use all his votes or cast his votes in the same way. Where any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

- 76.(B) Subject to the maintenance of the order of the general meeting by the Chairman of the general meeting, all shareholders shall have the right to (a) speak at the general meeting and (b) vote at general meeting except where a shareholder is required, by the GEM Listing Rules, to abstain from voting to approve the matter under consideration.
81. Any shareholder of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. ~~On a vote on a show of hands, only a member present in person or by its duly authorised corporate representative may vote. On~~Votes, whether on a show of hands or on a poll, may be given either personally or by its duly authorised corporate representative or by proxy. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy needs not be a shareholder. In addition, a proxy or proxies representing either an individual shareholder or a shareholder which is a corporation, shall be entitled to exercise the same rights and powers on behalf of the shareholder which he or they represent as such shareholder could exercise, ~~but, notwithstanding the generality of the foregoing shall not have including~~ the right to vote individually on a show of hands in accordance with Bye-Law 76(A).
87. (A) Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its corporate representative at any meeting of the Company or of any class of shareholders of the Company, and the person so authorised shall be entitled to exercise the same rights and powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company. References in these Bye-Laws to a shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a shareholder represented at the meeting by such duly authorised corporate representative or by one or more proxies. Nothing contained in this Bye-law shall prevent a corporation which is a shareholder of the Company from appointing one or more proxies to represent it pursuant to Bye-law 81.

- 102.(B) The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, subject to authorisation by the shareholders in general meeting, as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
- 163.(B) Subject to Section 88 of the Companies Act, the Company shall at each annual general meeting or at a subsequent special general meeting in each year appoint one or more firms of aAuditors and such Auditor shall hold office until a successor is appointed to hold office until the conclusion of the next annual general meeting, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be capable of being appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. Subject as otherwise provided by the Companies Act, the remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting by Ordinary Resolution except that in any particular year the Company in general meeting may by Ordinary Resolution delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

## 2. Replacement of existing Bye-law

The existing Bye-law 62 will be replaced by the following new Bye-law 62:

- “62. The Directors may whenever they think fit call special general meetings, and one or more shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Directors or the Secretary, to require a special general meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition.”



**3. Addition of new Bye-laws**

The following new Bye-laws shall be inserted:

- “1.(F) A resolution shall be an Extraordinary Resolution when it has been passed by a majority of not less than two thirds of votes cast by such shareholders as, being entitled so to do, vote in person or by a duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with Bye-Law 63.”
- “14.(C) The Principal Register and branch register of shareholders, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members without charge at the Registered Office or such other place at which the Principal Register is kept in accordance with the Companies Act.”
- “14.(D) The Principal Register including any overseas or local or other branch register of shareholders may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers circulating generally in Hong Kong in accordance with the requirements of The Stock Exchange of Hong Kong Limited in such manner as may be accepted by The Stock Exchange of Hong Kong Limited to that effect, be closed at such times or for such periods not exceeding in the whole thirty days in each year as the Board may determine and either generally or in respect of any class of shares.”
- “163.(C) The shareholders may, at any general meeting convened and held in accordance with these Bye-Laws, by Extraordinary Resolution remove the Auditors at any time before the expiration of its term of office and shall by Ordinary Resolution at that meeting appoint another Auditors in its stead for the remainder of this term.”

*The following is a summary of the principal terms of the rules of the New Share Option Scheme to be adopted at the AGM.*

## **1. PURPOSE, ELIGIBILITY AND ADMINISTRATION**

- 1.1 The purpose of the New Share Option Scheme is not solely to recognise the past contribution of the Eligible Participants. It is to provide the Eligible Participants with incentives for their future contribution to the Group. The basis of eligibility of any of Eligible Participants to the grant of Share Options shall be determined by the Board from time to time on the basis of the Board's opinion as to their contribution or future contribution to the development and growth of the Group.
- 1.2 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Share Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them, the positive impact which such Eligible Participant has brought to the Group and whether granting Share Options to such Eligible Participant is an appropriate incentive for such Eligible Participant to continue to contribute to the Group.
- (a) In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including but not limited to:
- (i) skills, educational and professional qualifications, knowledge, experience, expertise and other relevant personal qualities;
  - (ii) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; and
  - (iii) contribution made or expected to be made to the Group.
- (b) In assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors as appropriate, including but not limited to:
- (i) the positive impacts brought by, or expected from them on the Group's business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group;
  - (ii) their period of engagement or employment of the Related Entity Participant by the Group;

- (iii) the number, scale and nature of the projects in which they are involved;
  - (iv) whether they have or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationship;
  - (v) whether they have or expected to assist the Group in tapping into new markets and/or increased its market share; and
  - (vi) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies of the Group with them and their contribution in such companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- (c) In assessing the eligibility of Service Providers, the Board will consider all relevant factors as appropriate, including, among others:
- (i) The Service providers who are eligible for the granting of Share Options include but not limited to:
    - (aa) distributors, contractors, suppliers and agents are to directly contribute to the long term growth of the Group's business by taking roles or providing services/goods that are in a continuing and recurring nature in its ordinary and usual course of business. The work of distributors, contractors, suppliers and agents are closely connected with the Group's principal business, and their performances will contribute to the operating performance and financial results of the Group; and
    - (bb) advisers, consultants and service providers are those who would play significant roles in the Group's business development by contributing their specialized skills and knowledge in the business activities of the Group on a continuing and recurring basis. Such advisers, consultants and service providers would possess industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas of the Group. Their continuing and recurring engagement and cooperation with the Group would benefit the Group with frequent and successive strategic advice and guidance in its ordinary and usual course of business, which are substantively comparable to contributions of highly-skilled or executive employees of the Group.
  - (ii) in respect of agents, distributors, contractors and suppliers:
    - (aa) the scale of their business dealings with the Group in terms of purchases or sales attributable to them;

- (bb) their ability to maintain service quality;
  - (cc) their performance and track record, including whether the Service Provider has a proven track record of delivering quality services;
  - (dd) the benefits and strategic value brought by them to the Group in terms of the profits and/or income attributable to their collaboration with the Group;
  - (ee) the scale of their collaboration with the Group and the length of the Group's business relationship with them; and
  - (ff) the business opportunities and external connections that they have introduced or will potentially introduce to the Group.
- (iii) in respect of advisers, consultants and service provider:
- (aa) their expertise, professional qualifications and industry experience;
  - (bb) their performance and track record, including whether the Service Provider has a proven track record of delivering quality services;
  - (cc) the prevailing market fees chargeable by other services providers;
  - (dd) the Group's period of engagement of or collaboration with them; and
  - (ee) their actual or potential contribution to the Group in terms of reduction in costs or increase in turnover or profit.
- 1.3 Subject to the rules of the New Share Option Scheme, the Board may, at any time and from time to time during the Scheme Period on a business day, at its absolute discretion and on and subject to such terms, conditions, restrictions or limitations as it may think fit in writing offer to grant Share Options to Eligible Participants to subscribe at the Exercise Price for such number of Shares as the Board may determine.
- 1.4 The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties including but not limited to (a) interpretation and construction of the provisions of the New Share Option Scheme; (b) determination of the persons (if any) who shall be offered Share Options under the New Share Option Scheme, and the number of Shares and Exercise Price of the Share Option, subject to paragraph 5; (c) subject to paragraphs 9 and 11, making such adjustments to the terms of the Share

Options granted under the New Share Option Scheme to the relevant Grantee as the Board deems necessary, and notification of the relevant Grantee of such adjustment by written notice; and (d) making such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the New Share Option Scheme provided that the same are not inconsistent with the provisions of the New Share Option Scheme and the GEM Listing Rules. Without prejudice to the generality of the foregoing, the Board may delegate the administration of the exercise and delivery of Shares upon the exercise of Share Options to third party professional service providers as it may think fit.

## **2. DURATION**

- 2.1 The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period, no further Share Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Share Options granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.
- 2.2 Grantee shall ensure that the acceptance of the Offer, the holding and exercise of the Share Option in accordance with the New Share Option Scheme, the allotment and issue of Shares to him/her upon the exercise of the Share Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of a Share Option, require an Eligible Participant or a Grantee (as the case may be) to produce such evidence as they may reasonably require for such purpose.

## **3. CONDITIONS FOR THE GRANT OF SHARE OPTION**

The New Share Option Scheme or the grant of any Share Option is conditional on:

- (a) the passing by the Shareholders at a general meeting of the Company of an ordinary resolution to approve the adoption of the New Share Option Scheme and to authorise the Board to grant Share Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Share Option; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any Share Option.

**4. GRANT OF SHARE OPTIONS**

- 4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of the New Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of ten years commencing from the Adoption Date to make an Offer to any Eligible Participant to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of a Share Option, as determined in accordance with paragraph 5 (the “Exercise Price”), as the Directors shall, subject to paragraph 8 and at their discretion, determine.
- 4.2 Without prejudice to paragraph 8.8 below, the making of an Offer to any director or chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of a Share Option).
- 4.3 Any Offer shall be made to an Eligible Participant in writing (and otherwise so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares covered by such Share Option, the Option Period and any terms and conditions, restrictions and/or limitations applicable to the Share Option, and further requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and the Offer shall include a statement to the effect that any acceptance thereof shall render the Eligible Participant to whom the Offer is made bound by the provisions of the New Share Option Scheme. The Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 30 days from the Offer Date.
- 4.4 An Offer shall state, in addition to the matters specified in paragraph 4.3, the following:
- (a) the name of the Eligible Participant and the number of Shares under the Share Option in respect of which the Offer is made and the Exercise Price for such Shares;
  - (b) the Option Period in respect of which the Offer is made and a minimum period for which a Share Option must be held before it is vested and exercisable, which shall not be less than 12 months, subject to paragraph 6.3;
  - (c) the last date by which the Offer must be accepted (which must not be later than 30 days from the Offer Date) and the procedure for acceptance;

- (d) the performance target (if any) that must be attained by the Eligible Participant before any Share Option can be exercised and the clawback mechanism (if any) for the Company to recover or withhold any Share Option granted to any Eligible Participants in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Board;
  - (e) such other terms and conditions of the Offer as may be imposed by the Directors which in their opinion are fair and reasonable and not inconsistent with the New Share Option Scheme; and
  - (f) a statement requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme including, without limitation, the conditions specified in paragraphs 4.3 and 6.1.
- 4.5 An Offer shall be accepted by an Eligible Participant in respect of all Shares under the Share Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.6 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Share Option which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.7 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 4.5 or 4.6, a Share Option in respect of the number of Shares of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraphs 4.5 or 4.6, it will be deemed to have been irrevocably declined.
- 4.8 The Option Period of a Share Option must not be more than ten years after the Offer Date.

4.9 Share Options will not be listed or dealt in on the Stock Exchange.

4.10 For so long as the Shares are listed on the Stock Exchange:

- (a) an Offer may not be made after a price-sensitive event or inside information has come to the knowledge of the Company until (and including) the trading day after it has announced the information. In particular, the Company may not grant any Share Options during the period commencing 1 month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and (ii) the deadline for the Company to announce its results for any year, half-year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules), and ending on the actual date of publication of the results announcement, and no Option may be granted during any period of delay in publishing a results announcement.
- (b) without prejudice to paragraph 4.10(a), an Offer may not be made to an Eligible Participant who is subject to Rule 5.48 to 5.67 of the GEM Listing Rules during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares, or any corresponding code or securities dealing restrictions adopted by the Company.

## **5. EXERCISE PRICE**

The Exercise Price in respect of any Share Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it must be at least the highest of (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the 5 business days immediately preceding the Offer Date; and (c) the nominal value of the Shares on the Offer Date, provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.



**6. EXERCISE OF SHARE OPTIONS**

- 6.1 A Share Option must be personal to the Grantee and must not be transferable or assignable, save where applicable under the GEM Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Option Scheme and comply with other requirements under the GEM Listing Rules, no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Share Option or enter into any agreement to do so. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Option granted to such Grantee to the extent not already exercised.
- 6.2 Subject to, among other things, paragraph 4.3 and the fulfilment of all terms and conditions attached to the Share Options, including the attainment of any performance targets (if any), a Share Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6.5 and 6.6 by giving notice in writing to the Company stating that the Share Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Share Option remains unexercised is less than one board lot or where the Share Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within 30 days (seven days in the case of an exercise pursuant to paragraph 6.5(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Share Option by a Personal Representative pursuant to paragraph 6.5(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his/her estate in the event of an exercise by his/her Personal Representative as aforesaid) the relevant share certificate(s) in respect of the Shares so allotted and issued.
- 6.3 A Grantee is required to hold the Share Option for a minimum period of 12 months from the Offer Date before it can be exercised, subject to a shorter vesting period at the discretion of the Board under each of the following circumstances in respect of Employee Participants:
- (a) grants of “make-whole” rewards to new employees to replace the share awards they have forfeited when leaving the previous employers;

- (b) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
  - (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant;
  - (d) grants that are made in batches during a year for administrative and compliance reasons; and
  - (e) grants with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months.
- 6.4 Unless otherwise determined by the Board and specified in the Offer, there may or may not be performance target that needs to be achieved before the exercise of a Share Option granted to a Grantee, and there may or may not be any clawback mechanism for the Company to recover or withhold the Share Options granted to any Eligible Participant.
- 6.5 Subject as hereinafter provided in the New Share Option Scheme, a Share Option may only be exercised by the Grantee at any time during the Option Period provided that:
- (a) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee by reason of his/her death, before exercising the Share Option in full, his/her Personal Representative(s) may exercise the Share Option in whole or in part in accordance with the provisions of paragraph 6.2 within a period of 36 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.5(c) or 6.5(d) occur during such period, exercise the Share Option pursuant to paragraph 6.5(c) or 6.5(d) respectively;
  - (b) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a Grantee for any reason other than his/her death, before exercising the Share Option in full, the Share Option shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Share Option in whole or in part in accordance with the provisions of paragraph 6.5 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 6.5(c) or 6.5(d) occur during such period, exercise the Share Option pursuant to paragraph 6.5(c) or 6.5(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee actually worked for the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not;

- (c) if a general or partial offer, whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Share Options were granted, be entitled to exercise the Share Option to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.5 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;
- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than 2 business days before the date on which such resolution is to be considered and/or passed, exercise his/her Share Option either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.5 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his/her Share Option not less than 1 day before the date on which such resolution is to be considered and/or passed whereupon he/she shall accordingly be entitled, in respect of the Shares allotted and issued to him/her in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Share Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (e) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees of the Share Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the Company no later than 2 business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later

than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Share Option credited as fully paid and register the Grantee as holder thereof. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Share Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

- 6.6 Shares to be allotted and issued upon the exercise of a Share Option will be subject to the provisions of the constitutional documents of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in all dividends or distributions paid or made on or after the name of the Grantee is registered on the register of members of the Company, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when the name of the Grantee is registered on the register of members of the Company. A Share allotted and issued upon the exercise of a Share Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

## 7. EARLY TERMINATION OF OPTION PERIOD

- 7.1 The Option Period in respect of any Share Option shall automatically terminate and that Share Option shall lapse at the earliest of:
- (a) the expiry of the Option Period as may be determined by the Directors;
  - (b) the expiry of any of the periods referred to in paragraph 6.5;
  - (c) the date of commencement of the winding-up of the Company;
  - (d) in respect of a Grantee who is an employee of the Group when an Offer is made to him/her, the date on which the Grantee ceases to be an employee of the Group by reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has been liable for a material misstatement in the Company's financial statements, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been

convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute and does not involve his integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his employment summarily;

- (e) in respect of a Grantee other than an employee of the Group, the date on which the Board shall at their absolute discretion determine or believe that: (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group on the other part; or (ii) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and
- (f) the date on which the Directors shall exercise the Company's right to cancel the Share Option by reason of a breach of paragraph 6.1 by the Grantee in respect of that or any other Share Option.

7.2 A resolution of the Directors or written communication on behalf of the Board to the effect that the Share Options of a Grantee have been terminated on one or more of the grounds specified in paragraphs 7.1(d) to (f) has occurred shall be conclusive and binding on all persons who may be affected thereby.

7.3 Transfer of employment of a Grantee who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

## **8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

8.1 The total number of Shares which may be allotted and issued upon exercise of all share options and grant of share awards under the New Share Option Scheme and the New Share Award Scheme (and any other share scheme of the Company) must not in aggregate exceed the Scheme Limit.

- 8.2 Subject to paragraph 8.1, the total number of Shares which may be allotted and issued in respect of all share options or share awards to be granted to Service Providers under the New Share Option Scheme, the New Share Award Scheme (and any other share scheme of the Company) must not in aggregate exceed the Service Provider Sublimit.
- 8.3 For the avoidance of doubt, the Shares underlying any Share Options granted under the New Share Option Scheme or any other share scheme of the Company which have been cancelled will be counted for the purpose of calculating the Scheme Limit and Service Provider Sublimit. Where the Company has reissued such cancelled Share Options, the Shares underlying both the cancelled Share Options and the re-issued Share Options will be counted as part of the total number of Shares subject to paragraphs 8.1 and 8.2. The Share Options, share options or share awards lapsed in accordance with the terms of the New Share Option Scheme, the New Share Award Scheme or (as the case may be) any other share scheme of the Company will, however, not be regarded as utilized for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.
- 8.4 If the Company conducts a share consolidation or subdivision after the Scheme Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all share options or share awards to be granted under all of the share scheme of the Company under the Scheme Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 8.5 The Scheme Limit (and the Service Provider Sublimit) may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from Adoption Date or the date of Shareholders' approval for the last refreshment, provided that:
- (a) the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share schemes of the Company under the Scheme Limit as refreshed (the "Refreshed Scheme Limit") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "Refreshed Service Provider Sublimit") must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such Refreshed Scheme Limit (and Refreshed Service Provider Sublimit). Share options or share awards previously granted under the New Share Option Scheme, the New Share Award Scheme or any other share scheme of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Option Scheme, the New Share Award Scheme or any other share scheme of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the Refreshed Scheme Limit (and Refreshed Service Provider

Sublimit). The Company must send a circular to its Shareholders containing the number of share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.

- (b) any refreshment to the Scheme Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, where any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the GEM Listing Rules.
- (c) the requirements under paragraph 8.5(b) 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 Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

8.6 Without prejudice to paragraph 8.5, the Company may seek separate Shareholders' approval in general meeting to grant share options and shares awards under the New Share Option Scheme, the New Share Award Scheme or other share scheme of the Company beyond the Scheme Limit (or the Service Provider Sublimit) or, if applicable, the extended limits referred to in paragraph 8.5, provided the share options or share awards in excess of the Scheme Limit (or the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such share options or share awards, the number and terms of the share options or share awards to be granted to each Eligible Participant, and the purpose of granting options or awards to the specified Eligible Participants with an explanation as to how the terms of the share options or share awards serve such purpose. The number and terms of share options or share awards to be granted to such Eligible Participants must be fixed before Shareholders' approval.

8.7 Subject to paragraph 8.8, the total number of Shares issued and which may fall to be issued upon exercise of the share options and grant of share awards under the New Share Option Scheme, the New Share Award Scheme or any other share scheme of the Company (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) to each Eligible Participant in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue. Where any further grant of Share Options to a Grantee would result in the Shares

issued and to be issued upon exercise of all Share Options granted and proposed to be granted to such person (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) in any 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue, the Company may further grant such Share Options, provided that:

- (a) such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting;
- (b) the Company has first sent a circular to Shareholders disclosing the identity of the Eligible Participant, the number and terms of the share options or share awards to be granted (and share options or share awards previously granted to such Eligible Participant in the aforesaid 12-month period), the purpose of granting the share options or share awards to the Eligible Participant and an explanation as to how the terms of the share options or share awards serve such purpose; and
- (c) the number and terms of share options or share awards to be granted to such Eligible Participant must be fixed before the Shareholders' approval.

8.8 Without prejudice to paragraphs 4.2 and 4.3, each grant of Share Options to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Share Options).

8.9 Where any grant of Share Options to an independent non-executive director or a substantial shareholder of the Company (or any of their respective associates) would result in the Shares issued and to be issued in respect of all share options or share awards granted (excluding any share options or share awards lapsed in accordance with the New Share Option Scheme, the New Share Award Scheme or other share scheme of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Options shall be subject to:

- (a) the issue of a circular by the Company to the Shareholders; and
- (b) the approval by the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons (as defined in the GEM Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and in accordance with the GEM Listing Rules.



8.10 The circular to be issued by the Company to the Shareholders pursuant to paragraph 8.9(b) must contain the following information:

- (a) details of the number and terms of the Share Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Share Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the GEM Listing Rules.

8.11 Any change in the terms of Share Options granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company or an independent non-executive Director of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 23.04(4) of the GEM Listing Rules if the initial grant of the Share Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

## **9. ADJUSTMENTS TO THE EXERCISE PRICE**

9.1 In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, reduction of the share capital of the Company, then, in any such case the Company shall certify in writing the adjustment, if any, that ought in its opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the New Share Option Scheme or any Share Options relates (insofar as it is/they are unexercised); and/or
- (b) the Exercise Price of any Share Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in a Share Option or which remain comprised in a Share Option, and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:

- (i) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, for which such Grantee would have been entitled to subscribe had he/she exercised all the Share Options held by him/her immediately prior to such adjustment;
- (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

Subject to compliance with the requirements as provided in this paragraph 9, if there is any capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the number (Q) and the Exercise Price (P) of Share Options shall be made. The method of adjustment is set out as below:

- (a) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: “Q<sub>0</sub>” represents the number of Share Options before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “Q” represents the number of Share Options after the adjustment.

$$P = P_0 \div (1 + n)$$

Where: “P<sub>0</sub>” represents the Exercise Price before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “P” represents the Exercise Price after the adjustment.

- (b) Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Share Options before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Options after the adjustment.

$$P = P0 \div n$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price after the adjustment.

- (c) Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Share Options before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Share Options after the adjustment.

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents Exercise Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the Exercise Price of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment. In respect of any adjustment referred to in this paragraph 9.1, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules.

- 9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.2, inform the Grantee of such alteration and the certificate given by the Company under this paragraph 9, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

**10. CANCELLATION OF SHARE OPTIONS GRANTED**

10.1 Subject to paragraph 6.1 and Chapter 23 of the GEM Listing Rules, any Share Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and/or the approval of the Directors.

10.2 Where the Company cancels any Share Option granted to a Grantee but not exercised and issues new Share Option to the same Grantee, the issue of such new Share Option may only be made with available Scheme Limit, Service Provider Sublimit or the limits approved by the Shareholders pursuant to paragraph 8.5.

**11. ALTERATION OF THE NEW SHARE OPTION SCHEME**

11.1 Subject to paragraphs 11.2 to 11.4, the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that (a) any alteration to the provisions of the New Share Option Scheme which are of a material nature; and (b) any alteration to the provisions of the New Share Option Scheme relating to the matters governed by the GEM Listing Rules to the advantage of Grantees, must be approved by a resolution of the Shareholders in general meeting.

11.2 Any change to the terms of Share Options granted to an Eligible Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Share Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) unless the alterations take effect automatically under the existing terms of the New Share Option Scheme.

11.3 Any change to the authority of the Directors or the administrators of the New Share Option Scheme to alter the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting. The amended terms of the New Share Option Scheme and/or any Share Options pursuant to this paragraph 11 must still comply with the relevant requirements of the GEM Listing Rules.

**12. TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company by resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Share Options will be offered, but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Option granted or any Share Option exercised but remaining outstanding prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme, and Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme. Details of the Share Options granted, including Share Options exercised or outstanding, under the New Share Option Scheme must be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established or refreshment of scheme mandate limit under any existing scheme after such termination.

*The following is a summary of the principal terms of the rules of the New Share Award Scheme proposed to be adopted at the AGM.*

## **1. PURPOSES AND CONDITION**

The purpose of the New Share Award Scheme is not solely to recognize the past contribution of the Eligible Participants. It is also to provide them with incentives or rewards for their future contribution to the Group.

The New Share Award Scheme is conditional upon (i) the passing of the Shareholders' resolution to approve and adopt the New Share Award Scheme at a general meeting of the Company and (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in any Shares to be issued by the Company pursuant to the grant of Awards in accordance with the terms and conditions of the New Share Award Scheme.

## **2. DURATION AND ADMINISTRATION**

Subject to any early termination as may be determined by the Shareholders pursuant to paragraph 10, the New Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

The New Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with these rules of the New Share Award Scheme and the terms of the Trust Deed.

## **3. OPERATION OF SCHEME**

### **3.1 Grant of Awarded Shares to Eligible Participants**

- (a) Subject to the rules of the New Share Award Scheme, the Board may, from time to time, at its absolute discretion select and grant to any Eligible Participant Awarded Shares by way of share transfer or share allotment as the Board deems fit. Unless otherwise determined by the Board and specified in the Offer, there may or may not be performance target that needs to be achieved before the vesting of the Award, and there may or may not be any clawback mechanism for the Company to recover or withhold the Awards granted to any Eligible Participant.
- (b) A letter (the "Grant Letter") setting out, among other things, the number of the Awarded Shares and other terms and conditions of such Award, will be given to the Eligible Participant for each Award. If the Eligible Participant fails to meet

any condition set out in the Grant Letter, the Company is entitled to cancel the Award and such Award shall lapse and determine on the date the Board cancels the Award.

- (c) The Company may not grant any Award (i) after inside information has come to its knowledge until (and including) the business day after it has announced the information; and (ii) during the period commencing one month immediately before the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (b) the deadline for the Company to announce its results for any year, half-year or quarter-year period under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules), and ending on the publication of the results announcement. No Awards may be granted to any Director during the periods or times at which such Director is prohibited from dealing in the Shares pursuant to the GEM Listing Rules.

### **3.2 Criteria for determining Eligible Participants**

The eligibility of the Eligible Participant to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether an Award is to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contribution provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them, the positive impact which such Eligible Participant has brought to the Group and whether granting the Award to such Eligible Participant is an appropriate incentive for such Eligible Participant to continue to contribute towards the Group.

### **3.3 Award of Awarded Shares to Eligible Participants**

- (a) After the Board has determined the number of Awarded Shares and the Eligible Participants, it will notify the Trustee and the Eligible Participants in writing. Upon receipt of the Grant Letter, the Eligible Participants are required to confirm their acceptance of the Awards by returning to the Company notices of acceptance duly executed by them within 21 days after the date of the Grant Letter without payment unless otherwise stated in the relevant Grant Letter as the Board may determine. If any Eligible Participant fails to return the notice of acceptance within the specified period to the Company, the Awards will automatically lapse forthwith and the Awarded Shares will become Returned Shares which will be dealt with in accordance with paragraph 7. The Company will notify the Trustee of any Award which has not been accepted as soon as practicable after expiration of the specified period.

- (b) The Board may at any time at its discretion, in respect of each Eligible Participant and having regard to the requirements under paragraph 3.1, cause to be paid an amount (the “Reference Amount”) from the Company’s resources into the Account for purchase of the Awarded Existing Shares. The Reference Amount is the sum of the estimated Awarded Amount and the related purchase expenses (including the brokerage fee, stamp duty, transaction levies and trading fee) and such other necessary expenses required for completion of the purchase of all the Awarded Existing Shares. Within 20 business days on which the trading of the Shares has not been suspended (or such longer period as the Board may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the Reference Amount, the Trustee shall apply the same towards the purchase of the Awarded Existing Shares at the prevailing market price. Any excess Reference Amount provided shall be returned by the Trustee to the Company forthwith after completion of the purchase. Where the Reference Amount paid or caused to be paid to the Trustee is not sufficient to purchase all the Awarded Shares at the prevailing market price, the Trustee shall acquire the maximum number of board lots of Shares and seek further funds from the Board until all the Awarded Existing Shares are purchased.
- (c) In the event that the Awarded New Shares are to be allotted and issued to the Trustee for purpose of the Trust, the Board may cause the subscription price for such new Shares to be allotted and issued be transferred from the Company’s resources internally. The Company shall comply with the relevant GEM Listing Rules when issuing the Awarded New Shares.
- (d) The Awarded Shares so acquired and/or subscribed for will, subject to the receipt by the Trustee of a confirmation from the Company that all vesting conditions have been fulfilled, be transferred or allotted to the Eligible Participant.

### **3.4 Vesting or lapse of Awards**

- (a) Any Benefit held in the Account or the Trustee upon the Trust and which is referable to an Eligible Participant shall vest in that Eligible Participant on the date specified as the vesting date of the Grant Letter, which shall be a period of not less than 12 months from the date of grant (the “Vesting Date”). A Grantee is required to hold the Benefit for a minimum period of 12 months from the date of grant before it can be exercised, subject to a shorter vesting period at the discretion of the Board under each of the following circumstances in respect of Employee Participants:
- (i) grants of “make-whole” rewards to new employees to replace the share awards they have forfeited when leaving the previous employers;



- (ii) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
  - (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant;
  - (iv) grants that are made in batches during a year for administrative and compliance reasons; and
  - (v) grants with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months.
- (b) If the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee by reason of his/her death, before receiving the Awarded Shares in full, his/her Personal Representative(s) may receive the Awarded Shares in whole or in part in accordance with the provisions of the New Share Award Scheme within a period of 36 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine.

In the event of the death of a Grantee, the Trustee shall hold the vested Benefits upon trust and to transfer the same to the Personal Representative of the Grantee within (i) 36 months of the death of the Grantee (or such longer period as the Trustee and the Board shall agree from time to time) or (ii) the Trust Period as referred to in the Trust Deed (whichever is shorter). Notwithstanding the foregoing, the Benefits held upon the Trusts shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the fund in the Account.

- (c) If an Award would otherwise become bona vacantia, the Award is deemed to be lapsed and the Awarded Amount ceases to be transferable, and, where the purchase of the relevant Awarded Existing Shares on market by the Trustee has not yet been effected and/or completed, the relevant Reference Amount so paid by the Company will be taken out of the Account and returned to the Company immediately. In the event that purchase of the Awarded Existing Shares on the market by the Trustee has been completed, the Shares attributable to the lapsed Award shall be held by the Trustee as Returned Shares. In such event, no Eligible Participant (or the Personal Representative) shall have any claim against the Company and the Trustee in respect of the Award.
- (d) Subject to paragraph 3.4(b), in the event (i) a Grantee ceases to be an Eligible Participant, or (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise

than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking assets and liabilities of the Company pass to a successor company) (each of these, an event of “Total Lapse”), the Award shall automatically lapse forthwith and all the Benefits shall not vest on the relevant Vesting Date but shall become Returned Shares.

### 3.5 Eligibility of Eligible Participants

- (a) An Eligible Participant shall cease to be eligible,
- (i) by reason of voluntary resignation or dismissal, or upon expiration of term of directorship (unless immediately renewed upon expiration), or by termination of employment or service in accordance with the termination provisions of contract of employment or service by the Group otherwise than by reason of redundancy; or
  - (ii) when the relevant member of the Group (by reason of employment for qualification as an Eligible Participant at the time the Award was granted) ceases to be a member of the Group; or
  - (iii) on the grounds that the Eligible Participant has or is suspected to have committed any act of bankruptcy or has become insolvent or has made arrangements or composition with creditors generally or has or is suspected to have committed any misconduct or is under investigation or prosecution or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Eligible Participant or the Group into disrepute and does not involve the integrity or honesty of the Eligible Participant); or
  - (iv) if in the absolute discretion and determination of the Board the Eligible Participant is no longer eligible or appropriate to be an Eligible Participant,

provided always that in each case the Board in its absolute discretion may decide that such Award or any part thereof shall not so lapse or subject to such conditions or limitations as the Board may decide.

- (b) In the event (i) an Eligible Participant is found to be an Excluded Person or (ii) an Eligible Participant fails to return duly executed transfer documents/subscription documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period (or on such later dates as may be determined by the Trustee) (each of these, an event of “Partial Lapse”), the relevant part of an Award made to such Eligible Participant shall automatically lapse forthwith and the relevant Benefits shall not vest on the relevant Vesting

Date but shall become Returned Shares, provided always that in each case the Board in its absolute discretion may decide that such Award or any part thereof shall not so lapse or subject to such conditions or limitations as the Board may decide.

- (c) Except in the circumstances as set out in paragraph 3.4(b) or a Total Lapse,
  - (i) barring any unforeseen circumstances, unless otherwise agreed by the Board, one month prior to any Vesting Date, the Trustee shall send to the relevant Eligible Participant (with a copy to the Company) a vesting notice together with such prescribed transfer documents which require the Eligible Participant to execute to effect the vesting and transfer of the Awarded Shares and the Related Income on the relevant Vesting Date; and
  - (ii) subject to the receipt by the Trustee of (a) transfer documents prescribed by the Trustee and duly signed by the Eligible Participant within the period stipulated in the vesting notice, and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Awarded Shares and the Related Income to the relevant Eligible Participant.

### 3.6 Transferability of Awards

Any unvested Award shall be personal to the Grantee and shall not be transferable and assignable, save where applicable under the GEM Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Awarded Shares to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Award Scheme and comply with other requirements under the GEM Listing Rules, no Eligible Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Reference Amount or the unvested Awarded Shares pursuant to such Benefits or any of the Returned Shares. Any breach of the foregoing shall entitle the Company to cancel any Award or part thereof granted to such Grantee.

### 3.7 Other terms and conditions

- (a) The Awarded Shares will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue and, accordingly, will entitle the holders of such Shares to participate in all dividends or other distributions paid or made on or after the date on which such Awarded Shares are transferred/allotted to the Eligible Participant, other than any dividends or other distributions previously declared or

recommended or resolved to be paid or made with respect to a record date before the date of transfer/allotment. The Awarded Share shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

- (b) For the avoidance of doubt,
- (i) an Eligible Participant shall only have a contingent interest in the Benefits which are referable to the Eligible Participant subject to the vesting of such Shares in accordance with the paragraph 3.4(a);
  - (ii) an Eligible Participant shall have no right in the Residual Cash or any of the Returned Shares;
  - (iii) no instruction may be given by an Eligible Participant to the Trustee in respect of the Benefits, and such other properties of the Trust;
  - (iv) the Trustee shall not exercise the voting rights in respect of any Share held under the Trust (including but not limited to the Awarded Shares, the Further Shares, any bonus Shares and scrip Shares);
  - (v) an Eligible Participant shall have no right in the fractional share arising out of consolidation of Shares (such Shares shall be deemed as Returned Shares);
  - (vi) at the absolute discretion and direction of the Board, the sale proceeds of non-scrip and non-cash distribution declared in respect of a Share held by the Trust will be applied towards the purchase of Further Shares. In the event the record date for ascertaining entitlement to distribution in respect of the Shares held by the Trust is on a date earlier than a Vesting Date but the date of purchase of the Further Shares falls on or after the Vesting Date, the Trustee shall transfer such relevant Further Shares to the Eligible Participant, after the purchase, subject to the receipt of duly executed prescribed transfer document by the Trustee within the stipulated period;
  - (vii) in the event an Eligible Participant ceases to be eligible on the relevant Vesting Date, unless otherwise determined by the Board, the award of the Benefits in respect of the relevant Vesting Date shall automatically lapse in accordance with the terms thereof, such Awarded Shares and Related Income shall not vest on the relevant Vesting Date and the Eligible Participant shall have no claims against the Company or the Trustee;

- (viii) in the case of the death of an Eligible Participant, the Benefits shall be forfeited if no transfer of the Benefits to the Personal Representative of the Eligible Participant is made within the period prescribed in paragraph 3.4(b), the Personal Representatives of the Eligible Participant shall have no claims against the Company or the Trustee;
- (ix) the Board may in its absolute discretion decide the terms of such Award or the scope of the power of the Trustee subject to such conditions or limitations as the Board may decide.
- (c) No payment shall be made to the Account or the Trustee pursuant to paragraph 3.3(b) and no instructions to acquire Shares shall be given to the Trustee under the New Share Award Scheme where any Director is in possession of inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the GEM Listing Rules and all applicable laws from time to time.
- (d) In respect of the administration of the New Share Award Scheme, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the GEM Listing Rules from time to time.
- (e) Cash income of an Awarded Share or the trust fund of the Trust shall be applied towards (i) for the benefits of the corresponding Eligible Participants; and/or (ii) the purchase of Further Shares held upon trust referable to the relevant Eligible Participants and the payment of the relevant purchase expenses and/or (iii) the remainder, if any, to defray the fees, costs and expenses of the Trust, provided that the application of such cash income in respect of the Awarded Shares shall be subject to the absolute discretion and decision of the Board.
- (f) Unless otherwise determined by the Board and specified in the Grant Letter, there may or may not be performance target that needs to be achieved before the vesting of the Award, and there may or may not be any clawback mechanism for the Company to recover or withhold the Awards granted to any Eligible Participant.

#### **4. TAKEOVER, RIGHT ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC**

- (a) If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, unless otherwise directed by the Board at its absolute discretion, all the Benefits shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the Vesting Date. Subject to the receipt by the Trustee of duly executed prescribed transfer documents on or before such time as the Trustee may

determine, the Trustee shall transfer the Benefits to the Eligible Participant. For purpose of this paragraph, “control” shall have the meaning as specified in the Takeovers Code.

- (b) In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the New Share Award Scheme, the Trustee shall not subscribe for any new Share unless otherwise directed by the Board at its absolute discretion. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it as is appropriate and the net proceeds of sale of such rights shall be held as cash income of the Account or the trust fund of the Trust and applied in accordance with paragraph 3.7(e).
- (c) In the event the Company issues bonus warrants in respect of the Shares which are held by the Trustee, the Trustee shall not subscribe for any new Share by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it, the net proceeds of sale of such bonus warrants shall be held as cash income of the Account and shall be applied in accordance with paragraph 3.7(e).
- (d) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares unless otherwise directed by the Board at its absolute discretion.
- (e) In the event the Company undertakes a consolidation of the Shares, all fractional share arising out of such consolidation in respect of the Benefits of an Eligible Participant shall be deemed as Returned Shares for purposes of the New Share Award Scheme and shall not be transferred to the relevant Eligible Participants on the relevant Vesting Date.
- (f) In the event of other non-cash and non-scrip distribution made by the Company in respect of the Shares held by the Trust, unless otherwise directed by the Board at its absolute discretion, the Trustee shall dispose of such distribution and the net sale proceeds therefrom shall be deemed as cash income of the Shares held by the Trust and shall be applied in accordance with paragraph 3.7(e).
- (g) In any event as set out above, the Board may at its absolute discretion give written directions to the Trustee as to how to deal with such distribution, dividends or other benefits and rights in respect of or in connection with the Awarded Shares.

**5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR GRANT**

- (a) The total number of Shares which may be allotted and issued upon grant of share awards and exercise of share options under the New Share Award Scheme and the New Share Option Scheme (and any other share scheme of the Company) must not in aggregate exceed the Scheme Limit.

The total number of Shares which may be allotted and issued in respect of share awards or share options under the New Share Award Scheme and the New Share Option Scheme (and any other share scheme of the Company) to be granted to Service Providers must not in aggregate exceed the Service Provider Sublimit.

Any Awarded New Share granted under the New Share Award Scheme which has been cancelled (not being Awarded New Shares which have lapsed in accordance with the terms of the New Share Award Scheme) will be regarded as having utilized for purpose of calculating the Scheme Limit. For the avoidance of doubt, where the Company cancels any Awarded New Share granted to an Eligible Participant and makes a new grant to the same Eligible Participant, such new grant may only be made with available Scheme Limit approved by the Shareholders.

- (b) The Scheme Limit (and the Service Providers Sublimit) may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from the Adoption Date or the date of shareholders' approval for the last refreshment provided that:
- (i) the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share schemes of the Company under the Scheme Limit as refreshed (the "Refreshed Scheme Limit") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "Refreshed Service Provider Sublimit") must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such Refreshed Scheme Limit (and Refreshed Service Provider Sublimit). Share options or awards previously granted under the New Share Option Scheme, the New Share Award Scheme or any other share scheme of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Award Scheme or any other share scheme of the Company) will not be counted for purpose of calculating the total number of Shares subject to the Refreshed Scheme Limit (and Refreshed Service Provider Sublimit). The Company shall send a circular to the Shareholders containing the number of Share Options, Awarded Shares, share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.

- (ii) any refreshment to the Scheme Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, where any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the GEM Listing Rules.
  - (iii) the requirements under paragraph 5(b)(ii) 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 Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (c) The Company may also, by obtaining separate approval of the Shareholders in general meeting, grant share awards or share options under the New Share Award Scheme and the New Share Option Scheme (and any other share scheme of the Company) beyond the Scheme Limit (or the Service provider Sublimit) provided that the share awards or share options in excess of the Scheme Limit (or the Service provider Sublimit) are granted only to Eligible Participants specifically identified by the Company. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such share awards or share options, the number and terms of the share awards or share options to be granted to each specified Eligible Participant, and the purpose of granting share awards or share options to the specified Eligible Participants with an explanation as to how the terms of the share awards or share options serve such purpose. The number and terms of the share awards or share options to be granted to such specified Eligible Participants must be fixed before Shareholders' approval.
- (d) Where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all awards or options granted to such Eligible Participant (excluding any award or option lapsed in accordance with the terms of the share schemes of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The identity of the Eligible Participant, number and terms of the Awards to be granted shall be fixed before Shareholders' approval and the Company shall send a circular to the Shareholders containing the information required by the GEM Listing Rules.



- (e) If the Company conducts a share consolidation or subdivision after the Scheme Limit has been approved in general meeting, the maximum number of Shares under the Scheme Limit that may be issued in respect of all awards or options under all of the share schemes of the Company under the Scheme Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (f) Each grant of an Award to a Director, chief executive or substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Award).
- (g) Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awarded Shares granted (excluding any award lapsed in accordance with the terms of the relevant share scheme pursuant to which they are granted) to such person under all share schemes of the Company (excluding, for the avoidance of doubt, any grant of options) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Awards must be approved by Shareholders at a general meeting. The Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The number and terms of the Awards to be granted shall be fixed before Shareholders' approval and the Company shall send a circular to Shareholders containing the information required under the GEM Listing Rules and the independent non-executive Directors' view.
- (h) If a grant of Award to a substantial Shareholder or an independent non-executive Director (or any of their respective associates) would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any option or award lapsed in accordance with the terms of the relevant share scheme pursuant to which they are granted) to such person under all share schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Award is required to be approved by Shareholders at a general meeting. The Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The number and terms of the Awards to be granted shall be fixed before Shareholders' approval and the Company shall send a circular to Shareholders containing the information required under the GEM Listing Rules and the independent non-executive Directors' view.

**6. ADJUSTMENTS**

- (a) Subject to applicable laws and the requirements under the GEM Listing Rules, upon the occurrence of any Relevant Event, the number of Shares comprised in each Award so far as unvested may be adjusted in such manner as the Board may deem appropriate provided always that (in the case of adjustment to the number of Shares comprised in each unvested Award) the Eligible Participant shall have the same proportion of the equity capital of the Company rounded to the nearest whole Share as that to which he was entitled before such adjustments, and that no such adjustment shall be made to the effect of which would enable a Share to be issued at less than its nominal value.
- (b) The issue of any securities by the Company as consideration in a transaction shall not on its own be regarded as a Relevant Event.

**7. RETURNED SHARES**

Subject to paragraph 10(b)(i), the Trustee shall hold Returned Shares exclusively for the benefit of the Eligible Participants (excluding any Excluded Person) generally.

**8. DISPUTES**

Any dispute arising in connection with the New Share Award Scheme shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decision shall be final and binding.

**9. ALTERATION OF THE SCHEME**

- (a) The New Share Award Scheme may be altered in any respect by a resolution of the Board except:
  - (i) any alteration to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Participants; or
  - (ii) any alteration to the terms and conditions of the New Share Award Scheme which is of a material nature or any material change to the terms of Awards granted (except alterations which take effect automatically under the existing terms of the New Share Award Scheme); and
  - (iii) any material change to the authority of the Directors or Trustee in relation to any alteration to the terms of the New Share Award Scheme,

which shall only be altered with the prior sanction of a resolution of the Shareholders in a general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Award granted or agreed to be granted prior to such

alteration. Any alterations to the terms and conditions of the New Share Award Scheme shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

- (b) Any alteration to the terms and conditions of the Awards granted to an Eligible Participant must be approved by the Board and/or the remuneration committee of the Company and/or the Shareholders if the initial grant of the Awards was approved by the Board, the remuneration committee and/or the Shareholders.

## 10. TERMINATION

- (a) The New Share Award Scheme shall terminate on the earlier of (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Shareholders in a general meeting provided that such termination shall not affect any subsisting rights of any Eligible Participant hereunder.
- (b) Upon termination of the New Share Award Scheme,
  - (i) no further grant of Awards may be made under the New Share Award Scheme and, to the extent any Returned Share are being held under paragraph 7, the Company shall cause such Returned Shares to be sold and the proceeds of such sale (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith; and
  - (ii) all the Awards of an Eligible Participant granted under the New Share Award Scheme shall continue to be valid and effective and become vested in the Eligible Participant according to the terms and conditions of the Award and the New Share Award Scheme.
- (c) Temporary suspension of granting of Awards shall not be construed as a decision to terminate the operation of the New Share Award Scheme.

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## NOTICE OF AGM

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### M Resources Group Limited 脈資資源集團有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0.8.1.8.6)

## NOTICE OF AGM

**NOTICE IS HEREBY GIVEN** that the AGM of M-Resources Group Limited (the “Company”) will be held at 10:30 a.m. on Friday, 30 June 2023 through live webcast for the following purpose:

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

### ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and reports of the directors (the “Directors”) and auditors of the Company for the year ended 31 December 2022;
2. (a) To re-elect Ms. Pang King Sze, Rufina as an independent non-executive Director;  
(b) To re-elect Mr. Hong Bingxian as an independent non-executive Director;
3. To authorise the board of Directors to fix the Directors’ remuneration;
4. To re-appoint the auditors of the Company and to authorise the board of Directors to fix their remuneration;
5. **“THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 unissued shares of the Company (the “Shares”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of (aa) 20 per cent. of the total number of Shares in issue on the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of Shares in issue on the date of the passing of resolution no. 9), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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## NOTICE OF AGM

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6. **“THAT:**
- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on GEM or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the total number of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the total number of the Shares in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. **“THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 5 above in respect of the number of Shares referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
8. **“THAT** subject to and conditional upon the Listing Committee of Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the share option scheme of the Company (the “New Share Option Scheme”), a copy of which is tabled at the AGM and signed by the chairperson of the AGM for the purpose of identification, the New Share Option Scheme and the Scheme Limit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all share options or share awards to be granted under the New Share Option Scheme or all other share option schemes or share award schemes of the Company (i.e. 10% of the shares of the Company in issue as at the date of passing of this resolution, being 2,846,716 Shares) be and are hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted

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thereunder and to take all such acts and enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to implement or give full effect to the New Share Option Scheme, including without limitation:

- (a) administering the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
- (b) modifying and/or amending 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 and the requirements of the GEM Listing Rules;
- (c) making application at the appropriate time or times to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any new Shares or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the New Share Option Scheme; and
- (d) consenting, 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.”

9. **“THAT:**

- (a) the adoption of the share award scheme (the “New Share Award Scheme”) (a copy of which is tabled at the meeting and marked “B” and initialed by the chairperson of the meeting for identification purpose) and the terms and conditions therein (including, to the extent awards granted under the New Share Award Scheme involve new issuance of Shares, the allotment and issuance of new ordinary shares of HK\$0.08 each in the share capital of the Company representing up to 10% of the total number of Shares in issue as of the date hereof upon the award to be granted under the New Share Award Scheme and any options and awards to be granted under any other share scheme of the Company) be and is hereby approved subject to and conditional upon the Listing Committee granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the award under the New Share Award Scheme; and
- (b) the Directors be and are hereby authorized to grant awarded shares pursuant to the New Share Award Scheme subject to such conditions as the Directors may impose and do all such acts (including attending to the allotment and issue of Shares) and execute all such documents as he/she may deem necessary or expedient to implement the New Share Award Scheme.”

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## NOTICE OF AGM

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10. “**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 share options or share awards to be granted to Service Providers (as defined in the New Share Option Scheme) under the New Share Option Scheme or all other share option schemes or share award schemes of the Company (i.e. 1% of the shares of the Company in issue as at the date of passing of this resolution, being 284,671 shares) be and is hereby approved and adopted and the directors of the Company 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 of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

To consider and, if thought fit, pass the following resolutions as special resolutions:

### SPECIAL RESOLUTIONS

11. “**THAT** subject to the entry of “Almana Limited” as the new English name and the entry of “曼納有限公司” as the new secondary name in Chinese of the Company in the register maintained by the Registrar of Companies in Bermuda and the issue of a certificate of incorporation on change of name and a certificate of secondary name by the Registrar of Companies in Bermuda, the English name of the Company be changed from “M-Resources Group Limited” to “Almana Limited” and the secondary name in Chinese of the Company from “脈資資源集團有限公司” to “曼納有限公司” with effect from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name issued by the Registrar of Companies in Bermuda; and any one director of the Company be and is hereby authorised generally to do such acts and things and execute all documents (whether by hand, under seal or as a deed) or make such arrangements as he/she may consider necessary or expedient to effect the aforesaid change of name of the Company.”
12. “**THAT** the proposed amendments to the existing bye-laws of the Company (the “Proposed Amendments”), details of which are set out in the section headed “APPENDIX III(A) – AMENDMENTS TO BYE-LAWS” in the circular of the Company dated 7 June 2023, be and are hereby approved and confirmed; and any one or more of the directors of the Company or the company secretary of the Company be and is/are hereby authorised to execute all such documents and do all such other acts and things as he/she/they may, in his/her/their absolute discretion, consider necessary, desirable or expedient to effect the Proposed Amendments and any of the foregoing.”

By Order of the Board  
**M-Resources Group Limited**  
**Leung Ka Ho**  
*Company Secretary*

Hong Kong, 7 June 2023



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## NOTICE OF AGM

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*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of*

*business in Hong Kong:*

35/F, Two Pacific Place  
88 Queensway, Admiralty  
Hong Kong

*Notes:*

- (1) For determining the entitlement of the Shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26 June 2023.
- (2) The AGM will be conducted via electronic means (through a live webcast) which can be accessed from a computer, tablet or any browser enabled device. The Shareholders and/or their proxy will NOT be able to attend the AGM in person and can only view and listen to the live webcast of the AGM via electronic means from the start of the AGM until its conclusion. To access the live webcast, the Shareholders will need to register with the Company by sending an email to [info@m-resources.com.hk](mailto:info@m-resources.com.hk) and provide the following particulars: (a) full name; (b) registered address; (c) number of Shares held; (d) Hong Kong identity card number/passport number (in case of natural person)/company registration number (in case of body corporate); (e) contact telephone number; and (f) email address, at least 5 clear business days before the date of the AGM or any adjournment thereof to enable the Company to verify the Shareholders' status. Authenticated Shareholders will receive an email confirmation which contains a link to join the live webcast of the AGM.

All resolutions at the AGM will be decided on a poll. Shareholders may vote by proxy in advance of the AGM. Shareholders who wish to vote on the resolutions should appoint the chairperson of the AGM as his/her/its proxy to exercise the right to vote at the AGM in accordance with his/her/its instructions. The proxy form is posted to Shareholders together with this circular and may also be downloaded from the Company's website at [www.m-resources.com.hk](http://www.m-resources.com.hk). For Shareholders who are not registered Shareholders (e.g. the Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), they should consult their banks or brokers or custodians for assistance in the appointment of a proxy. The proxy form should be returned to Computershare Hong Kong Investor Services Limited as soon as possible and in any event not later than 48 hours before the time appointed for holding of the AGM or any adjournment thereof.