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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your securities in AL Group Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank manager, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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### **AL Group Limited** **利駿集團（香港）有限公司**

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

**(Stock Code: 8360)**

- (1) TERMINATION OF EXISTING SHARE OPTION SCHEME;**
- (2) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME;**
- (3) PROPOSED ADOPTION OF 2023 SHARE AWARD SCHEME; AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting (“EGM”) of AL Group Limited (the “Company”) to be held at 22/F, China Hong Kong Tower, 8-12 Hennessy Road, Wan Chai, Hong Kong on Friday, 20 October 2023 at 12:00 noon is set out on pages EGM-1 to EGM-4 of this circular. A proxy form for use at the EGM is enclosed with this circular.

Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at [www.AL-Grp.com](http://www.AL-Grp.com).

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## CHARACTERISTICS OF THE GEM

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

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

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	6
<b>APPENDIX I – 2023 SHARE OPTION SCHEME</b> .....	I-1
<b>APPENDIX II – 2023 SHARE AWARD SCHEME</b> .....	II-1
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	EGM-1

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## DEFINITIONS

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

“2023 Share Award Scheme”	the share award scheme of the Company to be proposed for adoption by the Company at the EGM, a summary of which is set out in Appendix II to this circular
“2023 Share Option Scheme”	the new share option scheme of the Company to be proposed for adoption by the Company at the EGM, a summary of which is set out in Appendix I to this circular
“Adoption Date”	the date on which the 2023 Share Option Scheme/2023 Share Award Scheme is adopted by the Shareholders
“Amended Rules”	the amendments to Chapter 23 of the GEM Listing Rules relating to share schemes of listed issuers, which took effect on 1 January 2023
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Award”	an award of Awarded Shares to Selected Participant pursuant to the 2023 Share Award Scheme
“Awarded Shares”	the Shares to be awarded to a Selected Participant under the 2023 Share Award Scheme
“Board”	the board of Directors for the time being or a duly authorised committee thereof
“Business Day”	any day (other than Saturday or Sunday) on which the Stock Exchange is open for the trading of securities and on which banking institutions in Hong Kong are open generally for normal banking business
“Clawback”	in respect of any Option granted or Awarded Shares allocated or awarded to a Selected Participant, the clawback mechanism for the Company to recover or withhold any Option or Awarded Shares granted to any Selected Participant (if any) which have not yet been vested in the Selected Participant, in accordance with the provision of the 2023 Share Option Scheme or the 2023 Share Award Scheme

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## DEFINITIONS

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“close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	AL Group Limited (stock code: 8360), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 22/F, China Hong Kong Tower, 8-12 Hennessy Road, Wan Chai, Hong Kong on Friday, 20 October 2023 at 12:00 noon, a notice of which is set out on pages EGM-1 to EGM-4 of this circular
“Eligible Participant(s)”	any person, being an employee (whether full time or part time, and including any person who are granted Awards and/or Options as an inducement to enter into employment contracts with any member of the Group) or a director (excluding independent non-executive Directors) of any member of the Group whom the Board or its delegate considers, in their sole discretion, to have contributed or will contribute to the Group under the 2023 Share Award Scheme and/or the 2023 Share Option Scheme
“Excluded Participant(s)”	any Eligible Participant who is resident in a place where an Award and/or the vesting and transfer of Awarded Shares pursuant to the terms of the 2023 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant

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## DEFINITIONS

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“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	shall have the meaning as set out in GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“1% Individual Limit”	a limit 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 Scheme(s) to any grantee in the 12-month period up to and including the date of relevant offer, which must not exceed 1% of the issued Shares
“Latest Practicable Date”	27 September 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Offer”	the offer for the grant of an Option made in accordance with the 2023 Share Option Scheme
“Offer Period”	the period for the exercise of an Option to be notified by the Board to the grantee in the Offer, but in any event shall not exceed 10 years from the date of the Offer (subject to early termination in accordance with the 2023 Share Option Scheme)
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the 2023 Share Option Scheme
“Remuneration Committee”	the Remuneration Committee of the Board
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, 2023 Share Award Scheme and any other Share Schemes, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the 2023 Share Option Scheme, 2023 Share Award Scheme and any other Share Schemes

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## DEFINITIONS

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“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the rules of the 2023 Share Award Scheme for participation in the 2023 Share Award Scheme or pursuant to the rules of the 2023 Share Option Scheme for participation in the 2023 Share Option Scheme (or in the case of a Selected Participant, his legal personal representative or lawful successor as the case may be)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.1 each in the share capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganization
“Shareholder(s)”	holder(s) of Shares from time to time
“Share Scheme(s)”	share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, including the 2023 Share Award Scheme and 2023 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	any subsidiary(ies) of the Company for the time being within the meaning of Part 1, Division 4 of the Companies Ordinance (Cap. 622)
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Trust Deed”	the trust deed (if applicable) to be executed by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) to be held by the Trustee subject to the terms of the Share Award Scheme, as amended from time to time

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## DEFINITIONS

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“Trustee”	such trustee or trustees (if any) as shall be from time to time appointed by the Company for the administration of Shares and other trust assets to be held by the Trustee for the implementation of the 2023 Share Award Scheme pursuant to and in accordance with the terms of the Trust Deed and to the extent that the trustee is a committee, it must comprise a majority of the independent non-executive Directors
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Options or Awarded Shares are transferred to and vested in such Selected Participant pursuant to an Offer or an Award
“Vesting Period”	in relation to any Selected Participant, the period commencing on the date on which the Options or Awarded Shares have been granted pursuant to an Offer or an Award to such Selected Participant and ending on the Vesting Date (both dates inclusive)
“%”	per cent.



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## LETTER FROM THE BOARD

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### **AL Group Limited** **利駿集團（香港）有限公司**

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

**(Stock Code: 8360)**

*Executive Directors:*

Mr. Chan Hung Kai (*Chairman*)  
Mr. Wong Kin Yeung (*Chief Executive Officer*)  
Mr. Kwan Tek Sian

*Independent non-executive Directors:*

Mr. Tse Chi Shing  
Mr. Tse Wai Hei  
Mr. Tam Chak Chi

*Registered office:*

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

*Principal place of business in*

*Hong Kong:*  
22/F, China Hong Kong Tower,  
8-12 Hennessey Road  
Wan Chai  
Hong Kong

29 September 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) TERMINATION OF EXISTING SHARE OPTION SCHEME;**
- (2) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME;**
- (3) PROPOSED ADOPTION OF 2023 SHARE AWARD SCHEME; AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding the following proposals to be put forward at the EGM for the Shareholders' consideration and, if thought fit, approval of (a) the termination of the Existing Share Option Scheme; (b) the adoption of the 2023 Share Option Scheme and (c) the adoption of the 2023 Share Award Scheme.

## LETTER FROM THE BOARD

### TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 15 June 2016 and is valid and effective for a period of 10 years from the date of adoption. Pursuant to the Consultation Conclusions, Chapter 23 of the GEM Listing Rules has been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Existing Share Option Scheme and adopt the 2023 Share Option Scheme to replace the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company had granted options for the subscription of a total of 27,799,200 Shares (as adjusted) under the Existing Share Option Scheme, of which 4,736,000 options (as adjusted) had been exercised; 186,000 options (as adjusted) were cancelled; and 22,877,200 options (as adjusted) remained outstanding. Details of the outstanding options as at the Latest Practicable Date are set out below:

Name of grantees	Position in the Group	Date of grant	Exercise price	Exercise period	Vesting condition	Number of outstanding options
<b>Directors</b>						
Mr. Chan Hung Kai	Executive Director and Chairman	19 January 2023	HK\$1.10	19 January 2023 – 18 January 2032	N/A	3,600,000
Mr. Wong Kin Yeung	Executive Director	19 January 2023	HK\$1.10	19 January 2023 – 18 January 2032	N/A	3,600,000
						7,200,000
<b>Other 7 employees</b>						
	Employees of the Company or its subsidiaries (other than Directors and chief executives)	9 October 2020	HK\$0.363	9 October 2020 – 8 October 2030	N/A	947,200
		19 January 2023	HK\$1.10	19 January 2023 – 18 January 2032	N/A	14,400,000
						15,347,200
5 external consultants	External consultants of the Company or its subsidiaries	19 January 2023	HK\$1.10	19 January 2026 – 18 January 2032	Options shall be exercisable after 3 years from date of grant	330,000
Total						22,877,200

The Directors confirm that prior to the EGM, the Company will not grant any option under the Existing Share Option Scheme. As at the Latest Practicable Date, there is no other Share Scheme of the Company other than the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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According to the terms of the Existing Share Option Scheme, the Company may by an ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme, and in such event, no further options can be granted under the Existing Share Option Scheme. Upon the termination of the Existing Share Option Scheme, no further share options would be offered under the Existing Share Option Scheme but the Existing Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding Options. Any outstanding options will continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

### **PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME**

The 2023 Share Option Scheme will constitute a share scheme involving the grant of new Shares for the purposes of the Amended Rules. Pursuant to the Amended Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, Shareholders' approval at the EGM.

Please refer to the Appendix I to this circular for the terms of the 2023 Share Option Scheme.

#### **Purpose**

The purpose of the 2023 Share Option Scheme is to:

- (A) recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and
- (B) to attract suitable personnel for further development of the Group.

#### **Duration**

Subject to the provision thereof, the 2023 Share Option Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date, and after the expiry of such 10-year term no further Options may be made but the rules of the 2023 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options made prior or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the 2023 Share Option Scheme.

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## LETTER FROM THE BOARD

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### Conditions precedent

The 2023 Share Option Scheme is conditional on:

- (A) the GEM Listing Committee granting approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any such Options; and
- (B) the passing of the resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the 2023 Share Option Scheme; (2) authorising the Board to grant Options under the 2023 Share Option Scheme; and (3) authorising the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the 2023 Share Option Scheme.

### Eligible Participants

The participants of the 2023 Share Option Scheme shall be the Eligible Participants.

In determining the eligibility of, and the terms of the Offer to, any Selected Participant, the Board or the Remuneration Committee shall take into consideration matters including, but without limitation to:

- (A) the present and expected contribution of the relevant Selected Participant to the development and growth of the Group;
- (B) skills, educational and professional qualifications, knowledge, experience, expertise and other relevant personal qualities;
- (C) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (D) the general financial condition of the Group;
- (E) the Group's overall business objectives and future development plan; and
- (F) any other matter which the Board considers relevant.

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## LETTER FROM THE BOARD

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The Directors consider that the criteria for the election of Eligible Participants align with the purpose of the 2023 Share Option Scheme and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors consider that the grant of Options in accordance with the above-mentioned eligibility considerations aligns with the purposes of the 2023 Share Option Scheme as it would allow the Company to award and incentivize the Eligible Participants based on an overall assessment of their historical and future potential contributions.

### **Grant of Options**

The Board shall, subject to and in accordance with the 2023 Share Option Scheme, be entitled (but shall not be bound) to, at any time during the continuation of the 2023 Share Option Scheme, make an Offer to any of the Eligible Participants as the Board shall, subject to the provision thereof, at its absolute discretion determine (including the imposition of conditions of vesting (including, without limitation, as to performance target(s))) pursuant to the 2023 Share Option Scheme.

A Selected Participant may accept the Offer in the manner set out in the Offer Letter and within ten (10) Business Days from the Offer Date (unless otherwise specified in Offer Letter). Unless otherwise determined by the Board or the Remuneration Committee in its absolute discretion at the relevant time for each individual Offer, a Selected Participant is not required to bear or pay any price or fee for the acceptance of the Offer. An Offer shall be deemed to be unconditionally and irrevocably declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he/she would accept such Offer within ten (10) Business Days and the terms of the Offer Letter.

### **Vesting Period**

An Option shall become exercisable subject to a Vesting Period to be determined by the Board in its absolute discretion, provided that the Vesting Period shall not be less than twelve (12) months, subject to a shorter vesting period for the Options granted to Selected Participants at the discretion of the Remuneration Committee or the Board under each of the following circumstances:

- (A) grants of “make-whole” Options to Selected Participants who are new employees to replace the share options they forfeited when leaving the previous employers;
- (B) grants to a Selected Participant whose employment is terminated due to death, disability or occurrence of any out-of-control event;
- (C) grants of Options with performance-based vesting conditions provided in accordance with the rules of the 2023 Share Option Scheme in lieu of or in addition to time-based vesting criteria as determined in the conditions of grant;

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## LETTER FROM THE BOARD

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- (D) grants that are made in batches during a year for administrative and compliance reasons (including Options that should have been granted earlier but had to wait for a subsequent batch);
- (E) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
- (F) grants of Options with a total vesting and holding period of more than 12 months.

Such discretion gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; or (ii) attract talents or reward exceptional performers with accelerated vesting.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the purpose of the 2023 Share Option Scheme (and other Share Scheme(s), where applicable).

### **Option Period**

The period for the exercise of an Option shall not exceed ten (10) years from the Offer Date.

### **Performance targets**

The rules of the 2023 Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of the 2023 Share Option Scheme will give the Directors absolute discretion to impose such conditions on the Options where appropriate. Such performance target(s) may include: without limitation (i) financial parameters in respect of the Group (such as revenue, market share of the Group's relevant products or services and net profit), (ii) non-financial parameters of the Group (such as contribution to the branding/reputation or business development of the Group); (iii) individual performance indicators relevant to the Selected Participant's roles and responsibilities (such as sales amount, number of customers introduced, number of contracts entered and number of point of sales established), that and/or (iv) other targets to be determined in the sole discretion of the Board or the Remuneration Committee. Depend on the work task assigned to each Eligible Participant, the Board would consider various non-financial parameters including but not limited to market share, customers' complaints, personnel turnover ratios, personnel training and development, product or service quality, delivery reliability, minimisation of wastages and losses etc. The Directors consider that it would be more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

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## LETTER FROM THE BOARD

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### **Clawback mechanism**

In certain circumstances, it may be regarded as inequitable for any Shares under the Options to be vested or retained, as applicable. Such Options are therefore subject to Clawback, including but not limited to circumstances where there has been a material misstatement or omission in the financial statements of the Group made by a Selected Participant or if the relevant Selected Participant has engaged in serious negligence, fraud or misconduct, breached the Company's policies, rules or regulations or other circumstances. Notwithstanding anything else in the 2023 Share Option Scheme, any Shares under the Options may be subject to Clawback pursuant to the Company's Clawback mechanism, as amended from time to time. The Board is of the view that the clawback mechanism in the 2023 Share Option Scheme provides a choice for the Board to claw back the equity incentives granted to Selected Participants culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the 2023 Share Option Scheme and in the interests of the Company and the Shareholders as a whole.

### **Determination basis of the subscription price**

The subscription price in respect of any Option shall, subject to any adjustments made pursuant to the provision thereof, be such price as the Board at its absolute discretion shall determine, provided that it must be at least the highest of:

- (A) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date (which must be a Business Day); and
- (B) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five (5) Business Days immediately preceding the Offer Date (which must be a Business Day).

The Directors consider that such basis will serve to preserve the value of the Company and encourage the Selected Participants to acquire proprietary interests in the Company.

### **Early termination of Option Period**

In the event that any Selected Participant ceases to be an employee by virtue of a corporate reorganisation of the Group, then any Option granted to such Selected Participant shall forthwith lapse and be cancelled unless otherwise determined by the Board.

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## LETTER FROM THE BOARD

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In addition, subject to the GEM Listing Rules and determined otherwise by the Board at its sole discretion, in the event:

- (A) a Selected Participant ceases to be an employee (other than death, disability or occurrence of any out-of-control event); or
- (B) the Subsidiary by which a Selected Participant is employed as an employee ceases to be a Subsidiary (or of a member of the Group); or
- (C) the Selected Participant has been summarily dismissed by the Company; or
- (D) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in the People's Republic of China, Hong Kong or any other applicable laws or regulations in force from time to time; or
- (E) any of the vesting conditions (including but not limited to performance target(s), if any) upon an Option to the relevant Selected Participant as determined by the Remuneration Committee and the Board was not fulfilled; or
- (F) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date; or
- (G) the Board shall at its absolute discretion determine that (a) the Selected Participant or his/her associate has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; or (b) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any act of bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reason whatsoever; or
- (H) 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),

the Option shall automatically lapse forthwith and all the Options shall not vest on the relevant Vesting Date.



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## LETTER FROM THE BOARD

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### Scheme Mandate Limit

The maximum number of Shares which may be allotted and issued in respect of all Options and awards to be granted under the 2023 Share Option Scheme and any other Share Schemes (not taking into account any refreshments as detailed in the 2023 Share Option Scheme) shall not in aggregate exceed 10% of the total number of Shares (i.e. 36,027,400 Shares) in issue as at the date of approval of the 2023 Share Option Scheme.

Options or awards lapsed in accordance with the rules of the 2023 Share Option Scheme and any other Share Schemes will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Board may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after three years from the respective Adoption Date or the date of Shareholders' approval of the last refreshment (as the case may be). Any refreshment of the Scheme Mandate Limit within any three year period from the date of Shareholders' approval for the last refreshment or adoption must be approved by the Shareholders subject to the following provisions:

- (A) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (B) the Company must also comply with the requirements under rules 17.47(6) and (7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

The requirements set out in (A) and (B) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

In any event, the total number of new Shares which may be issued in respect of all Options and awards to be granted under all the Share Schemes under the Scheme Mandate Limit as refreshed must not in aggregate exceed 10% of the number of Shares in issue as of the date of approval of the refreshed Scheme Mandate Limit ("**New Approval Date**"). The Shares that underlie the Options and awards granted under all the Share Schemes (including those outstanding, cancelled or vested) prior to the New Approval Date will not be counted for the purpose of determining the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

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## LETTER FROM THE BOARD

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Under Rule 23.03B of the GEM Listing Rules, an adjustment to the Scheme Mandate Limit may be triggered only where the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting. The maximum number of shares that may be issued in respect of all options and awards to be granted under all of the Share Schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought.

As at the Latest Practicable Date, the Company had a total of 360,274,000 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date of the 2023 Share Option Scheme, the Scheme Mandate Limit will be 36,027,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date of the 2023 Share Option Scheme.

### **1% Individual Limit**

The maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under the 2023 Share Option Scheme and all other Share Schemes (excluding any options and awards lapsed in accordance with the terms of the respective Share Schemes) of the Company in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company. Where any grant of Option to a Selected Participant may result in exceeding the 1% Individual Limit, the Company shall not grant such Option(s) unless it is separately approved by the Shareholders in general meeting, with such Selected Participant and his/her close associates (or associates if the Selected Participant is a Connected Person) abstaining from voting.

### **Grant of Options to Connected Persons**

The grant of an Option to Connected Persons (including any director, chief executive or substantial shareholder of the Company or their respective associates) must be approved by the independent non-executive Directors.

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## LETTER FROM THE BOARD

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Where any grant of Option(s) to 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 Options and awards granted to such person under the 2023 Share Option Scheme and all other Share Schemes (excluding any options or awards lapsed in accordance with the terms of the respective Share Schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company, such further grant of Option(s) must be approved by the Shareholders in general meeting, with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting in the manner set out in the relevant provisions of the GEM Listing Rules.

### **Voting rights, dividend, transfer or any other rights**

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

### **Ranking of the Shares to be allotted and issued upon the exercise of an Option**

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum of association of the Company and the articles of association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders to have the same voting, dividend transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, the right to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. A Share to be allotted and issued upon the exercise of an 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.

### **Transferability**

An Option shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Option or enter or purport to enter into any agreement to do so.

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## LETTER FROM THE BOARD

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### **Adjustment arising from reorganisation of capital structure**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the 2023 Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever, then, in any such case, the Company shall instruct the Auditors or the independent financial adviser to the Company to certify in writing the adjustment, if any, to be made either generally or as regards any particular Grantee, to:

- (A) the number of Shares subject to any outstanding Options; and/or
- (B) the subscription price of any unexercised Option;

and an adjustment as so certified by the Auditors or the independent financial adviser to the Company shall be made, provided that:

- (a) any such adjustment shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (b) 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;
- (c) no such adjustment shall be made the effect of which would increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (d) the issue of Shares or securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (e) for the avoidance of doubt, any adjustment shall be made in compliance with the GEM Listing Rules or other relevant guidance as the Stock Exchange may from time to time issue.

In respect of any such adjustments, the Auditors or the independent financial adviser to the Company must confirm to the Directors in writing that such adjustments satisfy the requirements that they give a Selected Participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, rounded to the nearest whole share.

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## LETTER FROM THE BOARD

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### **Alteration of the 2023 Share Option Scheme**

The 2023 Share Option Scheme may be amended in any respect by the Board by a Board resolution provided that no such amendment shall operate to affect materially adversely the terms of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under any applicable law for the time being for a variation of the rights attached to the Shares, subject to the provisions of the 2023 Share Option Scheme.

Any alteration to the terms and conditions of the 2023 Share Option Scheme (i) of a material nature; (ii) relates to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board to alter the terms of the 2023 Share Option Scheme, shall be approved by the Shareholders in general meeting. The Board shall have the right to determine whether any proposed alteration is material, and such determination shall be conclusive.

Any change to the terms of any Option granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), in accordance with the terms of the 2023 Share Option Scheme and Chapter 23 of the GEM Listing Rules, except where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.

The amended terms of the 2023 Share Option Scheme shall comply with applicable laws, rules and regulations including but not limited to the GEM Listing Rules and/or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

### **Termination**

The 2023 Share Option Scheme shall terminate on the earlier of:

- (A) the 10th anniversary date of the Adoption Date;
- (B) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant thereunder; or
- (C) such date of early termination may by resolution in general meeting.

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## LETTER FROM THE BOARD

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### **Cancellation of Options granted**

An Option that has not been vested may be cancelled by the Board (i) with the consent of the relevant Selected Participant; or (ii) the Selected Participant committing the breach as referred to in the provisions of the 2023 Share Option Scheme.

### **PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME**

The 2023 Share Award Scheme will constitute a share scheme involving the grant of new Shares for the purposes of the Amended Rules. Pursuant to the Amended Rules, share schemes involving the grant of new shares must be approved by shareholders of the listed issuer in general meeting. Accordingly, the adoption of the 2023 Share Award Scheme will be subject to, among others, Shareholders' approval at the EGM.

Please refer to the Appendix II to this circular for the terms of 2023 Share Award Scheme.

### **Purposes**

The purpose of the 2023 Share Award Scheme is, through an award of Shares, to:

- (A) recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and
- (B) to attract suitable personnel for further development of the Group.

### **Duration**

Subject to the provision thereof, the 2023 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but the rules of the 2023 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

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## LETTER FROM THE BOARD

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### **Administration**

The 2023 Share Award Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the GEM Listing Rules) arising in relation to the 2023 Share Award Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice:

- (A) the powers of the Trustee as provided under the Trust Deed, or
- (B) the powers of the Remuneration Committee on recommending and/or deciding (on and subject to the terms and conditions provided under the 2023 Share Award Scheme) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under the 2023 Share Award Scheme.

### **Eligible Participants**

The participants of the 2023 Share Award Scheme shall be the Eligible Participants.

In determining the eligibility of, and the terms of Award to, any Selected Participant, the Board or the Remuneration Committee shall take into consideration matters including, but without limitation to:

- (A) the present and expected contribution of the relevant Selected Participant to the development and growth of the Group;
- (B) skills, educational and professional qualifications, knowledge, experience, expertise and other relevant personal qualities;
- (C) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (D) the general financial condition of the Group;
- (E) the Group's overall business objectives and future development plan; and
- (F) any other matter which the Board considers relevant.

The Directors (including the independent non-executive Directors) consider that the criteria for the election of Eligible Participants align with the purpose of the 2023 Share Award Scheme and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Directors consider that the grant of Awards in accordance with the above-mentioned eligibility considerations aligns with the purposes of the 2023 Share Award Scheme as it would allow the Company to award and incentivize the Eligible Participants based on an overall assessment of their historical and future potential contributions.

### **Conditions precedent**

The 2023 Share Award Scheme is conditional on:

- (A) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the shares of the Company to be allotted and issued, to allot and issue from time to time such number of the shares of the Company as may be required to be allotted and issued in respect of the Awards to be granted under the 2023 Share Award Scheme; and
- (B) the passing of the resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the 2023 Share Award Scheme; (2) authorising the Board to grant Awards under the 2023 Share Award Scheme.

### **Grant of awards**

The Board shall, subject to and in accordance with these rules of the 2023 Share Award Scheme, be entitled (but shall not be bound) to, at any time during the continuation of the 2023 Share Award Scheme, make an Award out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid as the Board shall determine (including the imposition of conditions of vesting) pursuant to the rules of the 2023 Share Award Scheme. Unless otherwise determined by the Board or the Remuneration Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to bear or pay any price or fee for the acceptance of the Award.

Any grant of Award to Connected Persons shall be subject to the prior approval of the independent non-executive Directors and compliance with the requirements of the GEM Listing Rules.

Where any grant of Award(s) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of his/her associates would result in the Shares issued and to be issued in respect of all Awards granted under the 2023 Share Award Scheme and all other share award schemes (excluding any awards lapsed in accordance with the terms of the respective share award schemes) to such person in any 12-month period up to and including the date of such relevant grant, representing in aggregate over 0.1% of the issued share capital of the Company, such further grant of Award(s) must be approved by the Shareholders in general meeting in the manner set out in the GEM Listing Rules.



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## LETTER FROM THE BOARD

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Where any grant of Award(s) to 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 options and awards granted to such person under the 2023 Share Award Scheme and all other Share Schemes (excluding any options or awards lapsed in accordance with the terms of the respective Share Schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company, such further grant of Award(s) must be approved by the Shareholders in general meeting, with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting in the manner set out in the GEM Listing Rules.

### **Vesting of Awarded Shares**

The vesting of any Awards shall be subject to a Vesting Period to be determined by the Board in its absolute discretion, provided that the Vesting Period shall not be less than twelve (12) months, subject to a shorter vesting period for the Awarded Shares granted to Selected Participants at the discretion of the Remuneration Committee or the Board under each of the following circumstances in respect of a Selected Participant:

- (A) grants of “make-whole” Awards to Selected Participants who are new employees to replace the share awards they forfeited when leaving the previous employers;
- (B) grants to a Selected Participant whose employment is terminated due to death, disability or occurrence of any out-of-control event;
- (C) grants of Awards with performance-based vesting conditions provided in accordance with the rules of the 2023 Share Award Scheme in lieu of or in addition to 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 (including Awards that should have been granted earlier but had to wait for a subsequent batch);
- (E) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; and
- (F) grants of Awards with a total vesting and holding period of more than 12 months.

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## LETTER FROM THE BOARD

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The Board may at its discretion specify any condition in the offer letter upon the grant of the Award which must be satisfied before the Awarded Shares may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the Remuneration Committee and the Board) of the conditions imposed by the Remuneration Committee and the Board. The Remuneration Committee and the Board or person(s) to which the Remuneration Committee and the Board delegated their authority may either direct and procure the Trustee(s) to release from the Trusts the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by the Remuneration Committee and the Board from time to time.

Accordingly, the Directors are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the purpose of the 2023 Share Award Scheme (and other Share Scheme(s), where applicable).

### **Scheme Mandate Limit**

The maximum number of Shares which may be allotted and issued in respect of all options and awards to be granted under the 2023 Share Award Scheme and any other Share Schemes (not taking into account any refreshments as detailed in the 2023 Share Award Scheme) shall not in aggregate exceed 10% of the total number of Shares in issue as at the Approval Date (i.e. 36,027,400 Shares) of the 2023 Share Award Scheme by the Shareholders at the EGM.

Options or awards lapsed in accordance with the rules of the 2023 Share Award Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Board may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after three years from the respective date of Shareholders' approval of the adoption of the 2023 Share Award Scheme or the date of Shareholders' approval of the last refreshment (as the case may be). Any refreshment of the Scheme Mandate Limit within any three year period from the date of Shareholders' approval for the last refreshment or adoption must be approved by the Shareholders subject to the following provisions:

- (A) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (B) the Company must also comply with the requirements under rules 17.47 (6) and (7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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The requirements set out in (A) and (B) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in rule 17.41 (1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.

In any event, the total number of new Shares which may be issued in respect of all options and awards to be granted under all the Share Schemes under the Scheme Mandate Limit as refreshed must not exceed 10% of the number of Shares in issue as of the date of approval of the refreshed Scheme Mandate (“**New Approval Date**”). The Shares that underlie the options and awards granted under all the Share Schemes (including those outstanding, cancelled or vested) prior to the New Approval Date will not be counted for the purpose of determining the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

Under Rule 23.03B of the GEM Listing Rules, an adjustment to the Scheme Mandate Limit may be triggered only when the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting. The maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the Share Schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

The Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit provided the Awards in excess of the Scheme Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought.

As at the Latest Practicable Date, the Company had a total of 360,274,000 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date of the 2023 Share Award Scheme, the Scheme Mandate Limit will be 36,027,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date of the 2023 Share Award Scheme.

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## LETTER FROM THE BOARD

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### **1% Individual Limit**

The maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under the 2023 Share Award Scheme and all other Share Schemes (excluding any options and awards lapsed in accordance with the terms of the respective Share Schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company. Where any grant of Award to a Selected Participant may result in exceeding the 1% Individual Limit, the Company shall not grant such Award(s) unless it is separately approved by the Shareholders in general meeting, with such Selected Participant and his/her close associates (or associates if the Selected Participant is a Connected Person) abstaining from voting.

### **Lapse of Awards**

In the event that any Selected Participant ceases to be an employee by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled unless otherwise determined by the Board.

In addition, subject to the GEM Listing Rules and determined otherwise by the Board at its sole discretion, in the event:

- (A) a Selected Participant ceases to be an employee (other than death, disability or by occurrence of any out-of-control event); or
- (B) the Subsidiary by which a Selected Participant is employed as an employee ceases to be a Subsidiary (or of a member of the Group); or
- (C) the Selected Participant has been summarily dismissed by the Company; or
- (D) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in the People's Republic of China, Hong Kong or any other applicable laws or regulations in force from time to time; or
- (E) any of the vesting conditions upon an Award to the relevant Selected Participant as determined by the Remuneration Committee and the Board was not fulfilled; or
- (F) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date; or

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## LETTER FROM THE BOARD

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- (G) the Board shall at its absolute discretion determine that (a) the Selected Participant or his/her associate has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; or (b) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any act of bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reason whatsoever; or
- (H) 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); or
- (I) a Selected Participant is found to be an Excluded Participant;

(each of these, an event of “**Total Lapse**”), the Award shall automatically lapse forthwith and all the Awarded Shares and other Distributions (other than such other distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with the provision of the 2023 Share Award Scheme and, upon termination of the 2023 Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the 2023 Share Award Scheme.

In the event (i) the vesting conditions are not, in the sole opinion of the Board, satisfied in respect of the relevant part of the Award; or (ii) (subject to the provision of the 2023 Share Award Scheme) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) (or such later date as may be determined by the Trustee at its sole and absolute discretion having regard to all relevant circumstances) for the relevant Awarded Shares and the other distributions within the stipulated period as provided in or determined in accordance with these rules of the 2023 Share Award Scheme (each of these, an event of “**Partial Lapse**”), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and other distributions (other than such other distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with provision of the 2023 Share Award Scheme and, upon termination of the 2023 Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the 2023 Share Award Scheme.

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## LETTER FROM THE BOARD

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### **Performance targets**

The rules of the 2023 Share Award Scheme will not prescribe specific performance targets that must be met before the Awarded Shares may be vested in the relevant Selected Participant. However, the rules of the 2023 Share Award Scheme will give the Directors absolute discretion to impose such conditions on the Awards where appropriate. Such performance target(s) may include: without limitation (i) financial parameters in respect of the Group (such as revenue, market share of the Group's relevant products or services and net profit), (ii) non-financial parameters of the Group (such as contribution to the branding/reputation or business development of the Group); (iii) individual performance indicators relevant to the Selected Participant's roles and responsibilities (such as sales amount, number of customers introduced, number of contracts entered and number of point of sales established), that and/or (iv) other targets to be determined in the sole discretion of the Board or the Remuneration Committee. Depend on the work task assigned to each Eligible Participant, the Board would consider various non-financial parameters including but not limited to market share, customers' complaints, personnel turnover ratios, personnel training and development, product or service quality, delivery reliability, minimisation of wastages and losses etc. The Directors consider that, notwithstanding that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Awards is to remunerate or compensate Selected Participants for past contributions, it would be more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

### **Clawback mechanism**

In certain circumstances, it may be regarded as inequitable for any Awarded Shares to be vested or retained, as applicable. Such Awarded Shares are therefore subject to Clawback, including but not limited to circumstances where there has been a material misstatement or omission in the financial statements of the Group made by a Selected Participant or if the relevant Selected Participant has engaged in serious negligence, fraud or misconduct, breached the Company's policies, rules or regulations or other circumstances. Notwithstanding anything else in the 2023 Share Award Scheme, any Awarded Shares may be subject to Clawback pursuant to the Company's Clawback mechanism, as amended from time to time. The Board is of the view that the clawback mechanism in the 2023 Share Award Scheme provides a choice for the Board to claw back the equity incentives granted to Selected Participants culpable of misconduct and provides the Board with more flexibility in setting the terms and conditions of the Awards under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the 2023 Share Award Scheme and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **Purchase price of Awarded Shares**

The purchase price (if any) in respect of any particular Award, which shall be such price as the Board or the Remuneration Committee may in its absolute discretion determine at the time of grant of the relevant Award and taking into consideration factors including but not limited to the prevailing closing price of the Shares, the purpose of the 2023 Share Award Scheme and the characteristics and profile of the relevant Selected Participant(s) etc.

The Directors are of the view that such room for discretion on purchase price provides the Board with flexibility to stipulate, if necessary, a purchase price for the Awarded Shares, while balancing the purpose of the Share Award Scheme and the interests of Shareholders.

### **Ranking of the Awarded Shares**

The Awarded Shares granted under the Awards, when issued and allotted, shall rank pari passu among themselves and with the Shares in issue.

### **Rights attaching to the Awards and the Awarded Shares**

A Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date. A Selected Participant shall also have no rights in the residual cash of the Trust or such other trust fund under the Trust Deed or property held by the Trust or any of the returned shares.

### **Voting rights, dividend, transfer or any other rights**

The Trustee holding unvested Shares in the Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the GEM Listing Rules, unless otherwise required by the law to vote in accordance with the beneficial owner's discretion and such a discretion is given.

The Awarded Shares prior to the Vesting Date do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

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## LETTER FROM THE BOARD

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### **Transferability**

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so provided that the Selected Participant may, subject to the requirements in the GEM Listing Rules (including where applicable, the obtaining of a waiver from the Stock Exchange), assign the Award to a vehicle (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the 2023 Share Award Scheme and comply with other requirements of the GEM Listing Rules. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

### **Adjustment arising from reorganisation of capital structure**

In the event of any alteration in the capital structure of the Company following the commencement of the 2023 Share Award Scheme from any issue of shares in or other securities of the Company by way of subdivision, consolidation or reduction of the share capital or any capitalisation issue or right issue which the Board considers an adjustment as necessary, corresponding changes will be made to the number of outstanding Awarded Shares that have been granted and, if necessary, the purchase price for the Awarded Shares provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2023 Share Award Scheme for the Selected Participants. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Awarded Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant vesting date. The Trustee shall hold Returned Shares to be applied in accordance with the provisions of the rules of the 2023 Share Award Scheme for the purpose of the 2023 Share Award Scheme.

Any adjustments made under the foregoing paragraph must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or auditors of the Company must confirm to the Directors in writing that the adjustment satisfy the requirements of the relevant provision of the GEM Listing Rules.



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## LETTER FROM THE BOARD

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### **Alteration of the 2023 Share Award Scheme**

The 2023 Share Award Scheme may be amended in any respect by the Board by a board resolution provided that no such amendment shall operate to affect materially adversely the terms of any Awards granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under any applicable law for the time being for a variation of the rights attached to the Shares, and provided that no such amendment or alteration to the 2023 Share Award Scheme which affects the Trustee's rights and obligations under this Trust Deed shall be made without the prior written consent of the Trustee (save as may be required to comply with the applicable laws, rules or regulations including amongst others the GEM Listing Rules and/or the SFO, subject to the provisions of the 2023 Share Award Scheme.

Any alteration to the terms and conditions of the 2023 Share Award Scheme (i) of a material nature; (ii) relates to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board to alter the terms of the 2023 Share Award Scheme, shall be approved by the Shareholders in general meeting. The Board shall have the right to determine whether any proposed alteration is material, and such determination shall be conclusive.

Any change to the terms of any Award granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), in accordance with the terms of the 2023 Share Award Scheme and Chapter 23 of the GEM Listing Rules, except where the alterations take effect automatically under the existing terms of the 2023 Share Award Scheme.

The amended terms of the 2023 Share Award Scheme shall comply with applicable laws, rules and regulations including but not limited to the GEM Listing Rules and/or the SFO.

### **Termination**

The 2023 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 Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants.

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## LETTER FROM THE BOARD

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### **Cancellation of Awards granted**

An Award that has not been vested may be cancelled by the Board (i) with the consent of the relevant Selected Participant; or (ii) the Selected Participant committing the breach as referred to the provisions of the 2023 Share Award Scheme.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **EGM**

Ordinary resolutions will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve the termination of the Existing Share Option Scheme, adoption of the 2023 Share Option Scheme and the 2023 Share Award Scheme. Each of the 2023 Share Option Scheme and the 2023 Share Award Scheme complies with the latest requirements under Chapter 23 of the GEM Listing Rules.

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options and awards to be granted under the 2023 Share Option Scheme, 2023 Share Award Scheme and any other Share Scheme(s) (if any), in aggregate will be 36,027,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

None of the Directors is a trustee of the Existing Share Option Scheme, 2023 Share Option Scheme and 2023 Share Award Scheme or has any direct or indirect interest in the trustees of the Existing Share Option Scheme, 2023 Share Option Scheme and 2023 Share Award Scheme. Other than the Existing Share Option Scheme, the Company did not maintain any other Share Scheme as at the Latest Practicable Date.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2023 Share Option Scheme and the 2023 Share Award Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto at the EGM.

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## LETTER FROM THE BOARD

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Set out on pages EGM-1 to EGM-4 of this circular is the notice dated 29 September 2023 convening the EGM.

A proxy form for use at the EGM is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.AL-Grp.com](http://www.AL-Grp.com). Whether or not you intend to attend the meeting, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

### VOTING BY POLL

Pursuant to the GEM Listing Rules, any vote of the Shareholders at a general meeting (except resolution relates purely to procedural or administrative matter) must be taken by poll. Therefore, the Chairman of the EGM will demand a poll for all the resolutions set out in the notice of the EGM. After the conclusion of the EGM, the results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.AL-Grp.com](http://www.AL-Grp.com)).

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 17 October 2023 to Friday, 20 October 2023, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the EGM, all Share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 October 2023.

### DOCUMENTS ON DISPLAY

A copy of the rules of the 2023 Share Option Scheme and a copy of the rules of the 2023 Share Award Scheme will be published on the websites of Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.AL-Grp.com>) for display for a period of not less than 14 days before the date of the EGM and will be made available for inspection at the EGM.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the opinion that the termination of the Existing Share Option Scheme, the adoption of 2023 Share Option Scheme and 2023 Share Award Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the EGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the Appendices to this circular.

By Order of the Board  
**AL Group Limited**  
**Chan Hung Kai**  
*Chairman*

*The following is a summary of the principal terms of the 2023 Share Option scheme proposed to be approved and adopted by the Shareholders at the EGM.*

## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, except where the context otherwise requires, the following expressions have the following meanings:

<b>“Adoption Date”</b>	the date on which this Scheme is adopted by the Shareholders;
<b>“associate(s)”</b>	shall have the meaning ascribed thereto under the GEM Listing Rules;
<b>“Auditors”</b>	the auditors of the Company for the time being;
<b>“Board”</b>	the board of directors of the Company, such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer this Scheme;
<b>“Business Day”</b>	any day (other than Saturday or Sunday) on which the Stock Exchange is open for the trading of securities and on which banking institutions in Hong Kong are open generally for normal banking business;
<b>“Clawback”</b>	in respect of any Option granted to a Selected Participant, the clawback mechanism for the Company to recover or withhold any Option granted to any Selected Participant (if any) which have not yet been vested in the Selected Participant, in accordance with paragraph 4.3;
<b>“Company”</b>	AL Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (stock code: 8360);
<b>“Connected Person”</b>	shall have the meaning ascribed thereto under the GEM Listing Rules;
<b>“Directors”</b>	the director(s) of the Company for the time being;
<b>“Earliest Vesting Date”</b>	shall have the meaning as set out in paragraph 3.4(C);

<b>“Eligible Participant(s)”</b>	any person, being an employee (whether full time or part time, and including any person who are granted Options under this Scheme as an inducement to enter into employment contracts with any member of the Group) or a director (excluding independent non-executive Directors) of any member of the Group whom the Board or its delegate considers, in their sole discretion, to have contributed or will contribute to the Group;
<b>“GEM”</b>	GEM of the Stock Exchange;
<b>“GEM Listing Committee”</b>	shall have the meaning as set out in GEM Listing Rules;
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM, as amended from time to time;
<b>“Grantee”</b>	any Selected Participant who accepts an Offer in accordance with the terms of this Scheme or (where the context so permits) his/her Personal Representative(s);
<b>“Group”</b>	the Company and its Subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of The People’s Republic of China;
<b>“Personal Representative(s)”</b>	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Selected Participant (being an individual), is or are entitled to the Options to be vested in such Selected Participant;
<b>“Offer”</b>	the offer for the grant of an Option made in accordance with paragraph 3.1;
<b>“Offer Date”</b>	the date on which an Option is offered to a Selected Participant;
<b>“Offer Letter”</b>	has the meaning as specified in paragraph 3.4;

<b>“Option(s)”</b>	an option/options to subscribe for Shares pursuant to this Scheme and for the time being subsisting;
<b>“Option Period”</b>	the period for the exercise of an Option to be notified by the Board to the Grantee in the Offer, but in any event shall not exceed 10 years from the Offer Date (subject to early termination in accordance with this Scheme);
<b>“Remuneration Committee”</b>	the remuneration committee of the Board;
<b>“Scheme”</b>	the share option scheme constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 10;
<b>“Scheme Mandate Limit”</b>	shall have the meaning as set out in paragraph 7.1;
<b>“Selected Participant”</b>	any Eligible Participant approved for participation in the Scheme and who has been granted any Options in accordance with the Scheme;
<b>“Shareholder(s)”</b>	the holder(s) of Share(s);
<b>“Shares”</b>	ordinary shares of HK\$0.1 each in the share capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganization;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited or, if the context so requires, other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Board) on which the Shares are for the time being and from time to time listed or traded;
<b>“Subscription Price”</b>	the price at which each Share subject to an Option may be subscribed for on the exercise of that Option, subject to paragraph 6;

<b>“Subsidiary”</b>	any subsidiary(ies) of the Company for the time being within the meaning of Part 1, Division 4 of the Companies Ordinance;
<b>“Vesting Date”</b>	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Options are vested in such Selected Participant pursuant to an Offer as referred to in paragraph 4.4;
<b>“Vesting Period”</b>	in relation to any Selected Participant, the period commencing on the date on which the Options have been granted pursuant to an Offer to such Selected Participant as referred to in paragraph 4.1 and ending on the Vesting Date (both dates inclusive).

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of this Scheme;
- (B) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.



**2. PURPOSES, ADMINISTRATION, DURATION AND CONDITIONS**

2.1 The purpose of this Scheme is to:

- (A) recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and
- (B) to attract suitable personnel for further development of the Group.

2.2 This Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the GEM Listing Rules) arising in relation to this Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the Remuneration Committee on recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Selected Participants, the number of Options to be granted to the respective Selected Participants and other related matters as expressly provided under this Scheme.

2.3 A Selected Participant shall ensure that the acceptance, vesting and the holding of any Options under this Scheme and the exercise of all rights attaching thereto 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 Board may, as a condition precedent of making the Offer, require an Eligible Participants to produce such evidence as it may reasonably require for such purpose.

2.4 Subject to paragraph 11, this Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date, and after the expiry of such 10-year term no further Options may be made but these rules of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options made prior or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.

2.5 This Scheme is conditional on:

- (a) the GEM Listing Committee granting approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any such Options; and

- (b) the passing of the resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt this Scheme; (2) authorizing the Board to grant Options under this Scheme; and (3) authorizing the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to this Scheme.

2.6 A certificate of a Director certifying that the conditions set out in paragraph 2.5 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the “Adoption Date” shall be conclusive.

### 3. GRANT OF OPTIONS

3.1 The Board shall, subject to and in accordance with these rules of this Scheme, be entitled (but shall not be bound) to, at any time during the continuation of this Scheme, make an Offer to any of the Eligible Participants as the Board shall, subject to paragraph 7, at its absolute discretion determine (including the imposition of conditions of vesting (including, without limitation, as to performance target(s))) pursuant to these rules of this Scheme.

3.2 The Board shall comply with all applicable regulations imposed by the GEM Listing Rules, including but not limited to:

- (A) the grant of an Option to Connected Persons (including any director, chief executive or substantial shareholder of the Company or their respective associates) must be approved by the independent non-executive Directors;
- (B) the maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under this Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) of the Company in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (“**1% Individual Limit**”). Where any grant of Option to a Selected Participant may result in exceeding the 1% Individual Limit, the Company shall not grant such Option(s) unless it is separately approved by the Shareholders in general meeting, with such Selected Participant and his/her close associates (or associates if the Selected Participant is a Connected Person) abstaining from voting. The

Company must send a circular to the Shareholders. The circular must disclose the identity of the Selected Participant, the number and terms of the Options to be granted (and those previously granted to such Selected Participant in the 12-month period), the purpose of granting Options to the Selected Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Selected Participant must be fixed before Shareholders' approval in general meeting of the Company at which the same are approved;

- (C) where any grant of Option(s) to 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 options and awards granted to such person under the Scheme and all other share schemes of the Company (excluding any options or awards lapsed in accordance with the terms of the respective 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 issued share capital of the Company, such further grant of Option(s) must be approved by the Shareholders in general meeting, with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting in the manner set out in paragraph 3.2(D); and
- (D) in the circumstances described in paragraph 3.2(C), the Company must send a circular to the Shareholders. The Selected Participant, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules. The circular must contain: (a) details of the number and terms of the Options to be granted to each Selected Participant, which must be fixed before the Shareholders' meeting; (b) the views of the independent non-executive Directors 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) the information required under rules 23.02(2)(c) and 2.28 of the GEM Listing Rules. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under Rule 23.03E of the GEM Listing Rules.

- 3.3 In determining the eligibility of, and the terms of the Offer to, any Selected Participant, the Board or the Remuneration Committee shall take into consideration matters including, but without limitation to:
- (A) the present and expected contribution of the relevant Selected Participant to the development and growth of the Group;
  - (B) skills, educational and professional qualifications, knowledge, experience, expertise and other relevant personal qualities;
  - (C) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (D) the general financial condition of the Group;
  - (E) the Group's overall business objectives and future development plan; and
  - (F) any other matter which the Board considers relevant.
- 3.4 An Offer shall be made to a Selected Participant on a Business Day by letter in writing in such form as the Board may from time to time determine (the "**Offer Letter**") and shall:
- (A) state the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant;
  - (B) state the Offer Date;
  - (C) specify a date, being a date not later than ten (10) Business Days after the Offer Date by which the Selected Participant must accept the Offer or be deemed to have declined it;
  - (D) the number of Options provisionally granted to the relevant Selected Participant;
  - (E) specify the Subscription Price;
  - (F) specify the Option Period, and the earliest date (unless otherwise determined by the Board at its discretion), on which the Option shall first become exercisable by the relevant Selected Participant under paragraph 4.4 ("**Earliest Vesting Date**");

- (G) the condition(s) or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Options may be vested in such Selected Participant under such Offer. Such performance target(s) may include: without limitation (i) financial parameters in respect of the Group (such as revenue, market share of the Group's relevant products or services and net profit), (ii) non-financial parameters of the Group (such as contribution to the branding/reputation or business development of the Group); (iii) individual performance indicators relevant to the Selected Participant's roles and responsibilities (such as sales amount, number of customers introduced, number of contracts entered and number of point of sales established), that and/or (iv) other targets to be determined in the sole discretion of the Board or the Remuneration Committee. Depend on the work task assigned to each Eligible Participant, the Board would consider various non-financial parameters including but not limited to market share, customers' complaints, personnel turnover ratios, personnel training and development, product or service quality, delivery reliability, minimisation of wastages and losses etc.;
- (H) the amount, if any, payable by the relevant Selected Participant on acceptance of the Offer and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid; and
- (I) such other terms and conditions of such Offer as may be imposed by the Board as are not inconsistent with these rules of this Scheme.

3.5 A Selected Participant may accept the Offer in the manner set out in the Offer Letter and within ten (10) Business Days from the Offer Date (unless otherwise specified in Offer Letter). Unless otherwise determined by the Board or the Remuneration Committee in its absolute discretion at the relevant time for each individual Offer, a Selected Participant is not required to bear or pay any price or fee for the acceptance of the Offer. An Offer shall be deemed to be unconditionally and irrevocably declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he/she would accept such Offer within ten (10) Business Days and the terms of the Offer Letter.

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

- (A) an Offer shall not be made after a price sensitive event in relation to the securities of the Company or event which constitutes inside information (as defined in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) has occurred or an inside information matter has been the subject of a decision until (and including) the trading day after such price sensitive information and/or inside information has been published in accordance with the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In particular, (i) during the period commencing one month immediately preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results; (ii) during the period commencing 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; (iii) during the period commencing 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (iv) during any period of delay in publishing a results announcement, no Offer shall be made;
- (B) the Board shall not make an Offer to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

3.7 An Option shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Option or enter or purport to enter into any agreement to do so provided that the Selected Participant may, subject to the requirements in the GEM Listing Rules (including where applicable, the obtaining of a waiver from the Stock Exchange), assign the Option to a vehicle (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of the GEM Listing Rules. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Option granted to such Selected Participant.

#### 4. EXERCISE OF OPTIONS

- 4.1 An Option shall become exercisable subject to a Vesting Period to be determined by the Board in its absolute discretion, provided that the Vesting Period shall not be less than twelve (12) months, subject to a shorter vesting period for the Options granted to Selected Participants at the discretion of the Remuneration Committee or the Board under each of the following circumstances:
- (A) grants of “make-whole” Options to Selected Participants who are new employees to replace the share options they forfeited when leaving the previous employers;
  - (B) grants to a Selected Participant whose employment is terminated due to death, disability or occurrence of any out-of-control event;
  - (C) grants of Options with performance-based vesting conditions provided in accordance with the rules of this Scheme in lieu of or in addition to 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 (including Options that should have been granted earlier but had to wait for a subsequent batch);
  - (E) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
  - (F) grants of Options with a total vesting and holding period of more than 12 months.
- 4.2 The Board may at its discretion specify any condition (including but not limited to performance target(s), in any) in the Offer Letter upon the grant of the Option which must be satisfied before the Options may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the Remuneration Committee and the Board) of the conditions imposed by the Remuneration Committee and the Board.
- 4.3 In certain circumstances, it may be regarded as inequitable for any Options to be vested or retained, as applicable. Such Options are therefore subject to Clawback, including but not limited to circumstances where there has been a material misstatement or omission in the financial statements of the Group made by a Selected Participant or if the relevant Selected Participant has engaged in gross negligence, fraud or misconduct, breached the Company’s policies, rules or regulations, has been summarily dismissed or other circumstances. Notwithstanding anything else in the Scheme Rules, any Options may be subject to Clawback pursuant to the Company’s Clawback mechanism, as amended from time to time. The Options that are clawed back will be regarded as lapsed and the Options so lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- 4.4 The Option shall first become exercisable after the latest of:
- (a) the Earliest Vesting Date as specified in the Offer Letter to which such Option relates; and
  - (b) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such Selected Participant as specified in the related Offer Letter have been attained by the Board in writing.

If the Vesting Date falls on any day on which the Directors are restricted from making any Offer as referred to in paragraph 3.6, the Vesting Date shall be postponed.

- 4.5 During the Vesting Period, in respect of any performance targets as may be specified by the Board or the Remuneration Committee in the Offer Letter that must be fulfilled before the Options may be vested in the relevant Selected Participant, the Board or the Remuneration Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Remuneration Committee, including the comparison of the performance of the Group and/or the individual performance of the Selected Participant with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled. The Board or the Remuneration Committee shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee.
- 4.6 An Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 4.7 and 4.8 by giving notice in writing to the Company stating that the 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 Option remains unexercised is less than one board lot or where the 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 payment for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within 28 days (seven (7) days in the case of exercise pursuant to paragraph 4.7(C)) after receipt of the notice and remittance and, where appropriate, receipt of the Auditors' or the Company's independent financial adviser's certificate pursuant to paragraph 8.1, the Company shall accordingly allot the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 4.7(A), to the estate of the Grantee) credited as fully paid and issue to the Grantee (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for the Shares so allotted.



4.7 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

- (A) in the event of the Grantee, who is an employee of the Group at the time of the grant of the Option, ceases to be an employee thereof by reason of his death or disability before exercising the Option in full, the Grantee or, as appropriate, his Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with paragraph 4.6 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the member of the Group 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 paragraphs 4.7(C), 4.7(D) and 4.7(E) occurs during such period, exercise the Option pursuant to paragraphs 4.7(C), 4.7(D) and 4.7(E) respectively;
- (B) in the event that the Grantee, who is an employee of the Group at the time of the grant of the Option, ceases to be an employee thereof by reason other than his death or disability before exercising the Option in full, the Option (to the extent not already exercised) 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 Option (to the extent not already exercised) in whole or in part in accordance with paragraph 4.6 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 paragraphs 4.7(C), 4.7(D) and 4.7(E) occurs during such period, exercise the Option pursuant to paragraphs 4.7(C), 4.7(D) and 4.7(E) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the member of the whether salary is paid in lieu of notice or not;
- (C) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees (or his Personal Representative(s)) on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional or such scheme or arrangement is formally proposed to shareholders of the Company, the Grantee (or his Personal Representative(s)) shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in the

Grantee's notice to the Company in accordance with paragraph 4.6 at anytime 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 an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or his Personal Representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company elect to exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with paragraph 4.6 within two (2) Business Days prior to the proposed general meeting of the Company considering such winding-up, such notice to be accompanied by the Subscription Price for the Shares in respect of which the notice is given, whereupon the Grantee shall be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his Option, to receive out of the assets available in the liquidation part passu with the holders of the Shares such sum as would have been received in respect of the Shares the subject of such election; and
- (E) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph 4.7(E)) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his Personal Representative(s)) shall be entitled to exercise all or any of his Options in whole or in part (to the extent not already exercised) at any time prior to 12:00 noon (Hong Kong time) on the day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. 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 Options shall, to the extent that they have not been exercised, lapse and determine. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph 4.7(E) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court

be restored in full and shall thereupon become exercisable (but subject to the other terms of this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

- 4.8 The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum of association of the Company and the articles of association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders to have the same voting, dividend transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, the right to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. A Share to be allotted and issued upon the exercise of an 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.

## 5. LAPSE OF OPTIONS

- 5.1 In the event that any Selected Participant ceases to be an employee by virtue of a corporate reorganisation of the Group, then any Option granted to such Selected Participant shall forthwith lapse and be cancelled unless otherwise determined by the Board.
- 5.2 In the event the Option is cancelled but a new Option is made to the same Selected Participant, such new Option may only be made with available Scheme Mandate Limit approved by Shareholders. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 5.3 Save as provided in paragraph 5.1 and subject to the GEM Listing Rules and determined otherwise by the Board at its sole discretion, in the event:
- (A) a Selected Participant ceases to be an employee (other than death, disability or occurrence of any out-of-control event); or
  - (B) the Subsidiary by which a Selected Participant is employed as an employee ceases to be a Subsidiary (or of a member of the Group); or

- (C) the Selected Participant has been summarily dismissed by the Company; or
- (D) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in The People's Republic of China, Hong Kong or any other applicable laws or regulations in force from time to time; or
- (E) any of the vesting conditions (including but not limited to performance target(s), if any) upon an Option to the relevant Selected Participant as determined by the Remuneration Committee and the Board was not fulfilled; or
- (F) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date; or
- (G) the Board shall at its absolute discretion determine that (a) the Selected Participant or his/her associate has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; or (b) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any act of bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reason whatsoever; or
- (H) 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),

the Option shall automatically lapse forthwith and all the Options shall not vest on the relevant Vesting Date.

## **6. SUBSCRIPTION PRICE**

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 8.1, be such price as the Board at its absolute discretion shall determine, provided that it must be at least the highest of:

- (A) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date (which must be a Business Day); and

- (B) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five (5) Business Days immediately preceding the Offer Date (which must be a Business Day).

## 7. SCHEME MANDATE LIMIT

- 7.1 The maximum number of Shares which may be allotted and issued in respect of all options and awards to be granted under this Scheme and any other share schemes of the Company (not taking into account any refreshments as detailed in paragraph 7.3) ("**Scheme Mandate Limit**") shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date. The Scheme Mandate Limit shall be 36,027,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, on the basis that there are 360,274,000 Shares in issue at the latest practicable date of the circular of the Company dated 29 September 2023 and assuming that no other Shares are issued or repurchased by the Company prior to the date of the Adoption Date.
- 7.2 Options or awards lapsed in accordance with the rules of this Scheme and any other share schemes of the Company will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.
- 7.3 The Board may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after three years from the respective Adoption Date or the date of Shareholders' approval of the last refreshment (as the case may be). Any refreshment of the Scheme Mandate Limit within any three year period from the date of Shareholders' approval for the last refreshment or adoption must be approved by the Shareholders subject to the following provisions:
- (A) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (B) the Company must also comply with the requirements under rules 17.47(6) and (7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

The requirements set out in (A) and (B) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- 7.4 Under Rule 23.03B of the GEM Listing Rules, an adjustment to the Scheme Mandate Limit may be triggered only when the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting. The maximum number of shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.
- 7.5 In any event, the total number of new Shares which may be issued in respect of all options and awards to be granted under all the share schemes of the Company under the Scheme Mandate Limit as refreshed must not in aggregate exceed 10% of the number of Shares in issue as of the date of approval of the refreshed Scheme Mandate Limit (“**New Approval Date**”). The Shares that underlie the options and awards granted under all the Company’s share schemes (including those outstanding, cancelled or vested) prior to the New Approval Date will not be counted for the purpose of determining the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- 7.6 The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Selected 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 Selected Participants who may be granted such Options, the number and terms of the Options to be granted to each Selected Participant, and the purpose of granting Options to the specified Selected Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Selected Participant must be fixed before Shareholders’ approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under Rule 23.03E of the GEM Listing Rules.

**8. REORGANISATION OF CAPITAL STRUCTURE**

8.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever, then, in any such case, the Company shall instruct the Auditors or the independent financial adviser to the Company to certify in writing the adjustment, if any, to be made either generally or as regards any particular Grantee, to:

- (A) the number of Shares subject to any outstanding Options; and/or
- (B) the Subscription Price of any unexercised Option;

and an adjustment as so certified by the Auditors or the independent financial adviser to the Company shall be made, provided that:

- (a) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (b) 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;
- (c) no such adjustment shall be made the effect of which would increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (d) the issue of Shares or securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (e) for the avoidance of doubt, any adjustment shall be made in compliance with the GEM Listing Rules or other relevant guidance as the Stock Exchange may from time to time issue.

In respect of any such adjustments, the Auditors or the independent financial adviser to the Company must confirm to the Directors in writing that such adjustments satisfy the requirements that they give a Selected Participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, rounded to the nearest whole share.

- 8.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 8.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 4.6, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser to the Company obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser to the Company as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 8.1.
- 8.3 In giving any certificate under this paragraph 8, the Auditors or independent financial adviser to the Company shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final and binding on the Company and all persons who may be affected thereby.

## **9. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.

## **10. ALTERATION OF THE RULES OF THIS SCHEME**

- 10.1 This Scheme may be amended in any respect by the Board by a board resolution provided that no such amendment shall operate to affect materially adversely the terms of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under any applicable law for the time being for a variation of the rights attached to the Shares, subject to paragraph 10.2 below.
- 10.2 Any alteration to the terms and conditions of the Scheme (i) of a material nature; (ii) relates to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board to alter the terms of this Scheme, shall be approved by the Shareholders in general meeting. The Board shall have the right to determine whether any proposed alteration is material, and such determination shall be conclusive.



10.3 Any change to the terms of any Option granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), in accordance with the terms of this Scheme and Chapter 23 of the GEM Listing Rules, except where the alterations take effect automatically under the existing terms of this Scheme.

10.4 The amended terms of the Scheme shall comply with applicable laws, rules and regulations including but not limited to the GEM Listing Rules and/or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

## **11. TERMINATION**

11.1 This Scheme shall terminate on the earlier of:

- (A) the 10th anniversary date of the Adoption Date;
- (B) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; or
- (C) such date of early termination may by resolution in general meeting.

11.2 In the event this Scheme is terminated pursuant to paragraph 11.1, no further Options will be offered or granted but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any outstanding Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and outstanding Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of this Scheme.

## **12. CANCELLATION**

An Option that has not been vested may be cancelled by the Board (i) with the consent of the relevant Selected Participant; or (ii) the Selected Participant committing the breach as referred to in paragraph 5.3 above. For the avoidance of doubt, where the Company cancels Options granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made with available Scheme Mandate Limit, and that Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

**13. MISCELLANEOUS**

- 13.1 These rules of this Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Selected Participant, and the rights and obligations of any Selected Participant under the terms of his/her office or employment shall not be affected by his/her participation in this Scheme or any right which he/she may have to participate in it and this Scheme shall afford such Selected Participant no additional rights to compensation or damages in consequence of the termination of his/her office or employment for any reason.
- 13.2 The Company shall bear the costs and expenses of establishing, administering and implementing this Scheme (including, for the avoidance of doubt, any transaction levy, investor compensation levy, brokerage, trading fee, trading tariff, stamp duty and any other tax and expenses of whatsoever nature payable on the part of a Selected Participant in respect of any sale, purchase, vesting or transfer of, or subscription for, Shares pursuant to this Scheme, but excluding any costs, expenses, levies and taxes which are determined by the Board (in its absolute discretion) to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participant(s) or otherwise unrelated to the making of the relevant Offer under this Scheme and which shall be payable by the relevant Selected Participant(s).
- 13.3 Any notice or other communication between the Company, the Board and any Selected Participant may be given by sending the same by prepaid post or by personal delivery to:
- (A) in the case of the Company or the Board, the principal place of business of the Company in Hong Kong, or the place determined by the Board from time to time; and
  - (B) in the case of any Selected Participant, his/her last known address as notified by such Selected Participant to the Company from time to time or, if none or incorrect or out of date, his/her last place of employment with the Group or the Company's principal place of business in Hong Kong from time to time.
- 13.4 Any notice or other communication:
- (A) if sent by any Selected Participant, shall be irrevocable and shall not be effective until actually received by the Company and the Board; and
  - (B) if sent to any Selected Participant shall be deemed to be given or made three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; and five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; and when delivered, if delivered by hand.

- 13.5 This Scheme shall not confer on any person any legal or equitable rights against the Company, directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 13.6 A Selected Participant shall, before accepting an Offer and vesting of the related Options to and in him/her, obtain all necessary consents that may be required to enable him/her to accept such Offer and take such vesting of the related Options, as the case may be, in accordance with these rules of this Scheme. By accepting an Offer, the Selected Participant is deemed to have represented to the Company that he/she has obtained all such consents. Compliance with this paragraph 13.6 shall be a condition precedent to an acceptance of an Offer by a Selected Participant. A Selected Participant shall indemnify the Company, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of such Selected Participant to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his/her acceptance of the Offer and taking the vesting of the related Options in him/her as referred to in this paragraph 13.6.
- 13.7 A Selected Participant shall pay all tax and discharge all liabilities to which he/she may become subject or liable as a result or consequence of his/her participation in this Scheme, acceptance of any Offer made hereunder, and taking the vesting of the related Options in him/her, or any of the foregoing.
- 13.8 In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the GEM Listing Rules from time to time.

#### **14. GOVERNING LAW**

- 14.1 This Scheme shall operate subject to any applicable law of Cayman Islands (being the place of incorporation of the Company).
- 14.2 This Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

*The following is a summary of the principal terms of the 2023 Share Award Scheme proposed to be approved and adopted by the Shareholders at the EGM.*

## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, except where the context otherwise requires, the following expressions have the following meanings:

<b>“Adoption Date”</b>	the date on which this Scheme is adopted by the Shareholders.
<b>“associate(s)”</b>	shall have the meaning ascribed thereto under the GEM Listing Rules.
<b>“Award”</b>	a provisional award of the Awarded Shares made in accordance with paragraph 3.1.
<b>“Award Notice”</b>	the notice to be sent to the Trustee upon the making of an Award containing the particulars referred to in paragraph 3.4.
<b>“Awarded Share(s)”</b>	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award.
<b>“Benefits”</b>	shall have the meaning as set out in paragraph 5.5.
<b>“Board”</b>	the board of directors of the Company, such committee or such sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer this Scheme.
<b>“Business Day”</b>	any day (other than Saturday or Sunday) on which the Stock Exchange is open for the trading of securities and on which banking institutions in Hong Kong are open generally for normal banking business.
<b>“Clawback”</b>	in respect of any Awarded Shares allocated or awarded to a Selected Participant, the return or repayment of all or a specified part of such Awarded Shares by such Selected Participant and/or the ceasing or variation of the Selected Participant’s entitlement to receive or be vested with all or a specified part of any such Awarded Shares which have not yet been vested in the Selected Participant, pursuant to Paragraph 5.2A.

<b>“Company”</b>	AL Group Limited, a company incorporated in the Cayman Islands, whose Shares are listed on GEM (stock code: 8360).
<b>“Connected Person”</b>	shall have the meaning ascribed thereto under the GEM Listing Rules.
<b>“Directors”</b>	the director(s) of the Company for the time being.
<b>“Earliest Vesting Date”</b>	shall have the meaning as set out in paragraph 3.4(C).
<b>“Eligible Participant”</b>	any person, being an employee (whether full time or part time, and including any person who are granted Awards as an inducement to enter into employment contracts with any member of the Group) or a director (excluding independent non-executive Directors) of any member of the Group whom the Board or its delegate considers, in their sole discretion, to have contributed or will contribute to the Group.
<b>“Excluded Participant”</b>	any Eligible Participant who is resident in a place where an Award and/or the vesting and transfer of Awarded Shares pursuant to the terms of this Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws or regulations in such place make it necessary or expedient to exclude such Eligible Participant.
<b>“Further Shares”</b>	Shares purchased and/or subscribed for by the Trustee out of net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the trust constituted by the Trust Deed.
<b>“GEM”</b>	GEM of the Stock Exchange.
<b>“GEM Listing Committee”</b>	shall have the meaning as set out in GEM Listing Rules.
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM, as amended from time to time.

<b>“Gift Contribution”</b>	shall have the meaning as set out in paragraph 4.3.
<b>“Group”</b>	the Company and its Subsidiaries.
<b>“Group Contribution”</b>	shall have the meaning as set out in paragraph 4.2.
<b>“Group Contribution Threshold”</b>	shall have such meaning as set out in paragraph 4.2(A) in respect of any particular financial year.
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong.
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of The People’s Republic of China.
<b>“Other Distributions”</b>	shall have the meaning as set out in paragraph 5.4(B).
<b>“Partial Lapse”</b>	shall have the meaning as set out in paragraph 6.4.
<b>“Personal Representative(s)”</b>	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Selected Participant (being an individual), is or are entitled to the Awarded Shares to be vested in such Selected Participant.
<b>“Remuneration Committee”</b>	the remuneration committee of the Board for the time being.
<b>“Residual Cash”</b>	being cash remaining in the trust fund in respect of an Awarded Share and a Returned Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, and cash which has not been applied in the acquisition of Further Shares).
<b>“Request”</b>	shall have the meaning as set out in paragraph 8.3.
<b>“Returned Shares”</b>	such Awarded Shares and Other Distributions which are not vested and/or forfeited in accordance with the terms of this Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of this Scheme, or such Shares being deemed to be Returned Shares.

<b>“Scheme”</b>	the share award scheme constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 11.
<b>“Scheme Mandate Limit”</b>	shall have the meaning as set out in paragraph 7.1.
<b>“Selected Participant”</b>	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits and as referred to in paragraph 5.1) his/her Personal Representative.
<b>“Shareholder(s)”</b>	the holder(s) of Share(s).
<b>“Shares”</b>	ordinary shares of HK\$0.1 each in the share capital of the Company, or if there has been a sub-division, consolidation, reclassification or reconstruction or reduction or reorganisation of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any of such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation.
<b>“Shares Pool”</b>	shall have the meaning as set out in paragraph 4.1.
<b>“SPV”</b>	shall have the meaning as set out in paragraph 4.2(I).
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited or, if the context so requires, other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Board) on which the Shares are for the time being and from time to time listed or traded.
<b>“Subsidiary”</b>	any subsidiary(ies) of the Company for the time being within the meaning of Part 1, Division 4 of the Companies Ordinance.
<b>“Total Lapse”</b>	shall have the meaning as set out in paragraph 6.3.

<b>“Trust Deed”</b>	the trust deed (if applicable) to be executed by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) to be held by the Trustee subject to the terms thereof, as amended from time to time.
<b>“Trustee”</b>	such trustee or trustees (if any) as shall be from time to time appointed by the Company for the administration of Shares and other trust assets to be held by the Trustee for the implementation of this Scheme pursuant to and in accordance with the terms of the Trust Deed and to the extent that the trustee is a committee, it must comprise a majority of the independent non-executive Directors.
<b>“Vesting Date”</b>	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are transferred to and vested in such Selected Participant pursuant to an Award as referred to in paragraph 5.3.
<b>“Vesting Period”</b>	in relation to any Selected Participant, the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant as referred to in paragraph 5.1 and ending on the Vesting Date (both dates inclusive).

1.2 In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of this Scheme;
- (B) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;
- (E) references to persons include bodies corporate and unincorporated;



- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

## **2. PURPOSES, ADMINISTRATION AND DURATION**

- 2.1 The purpose of this Scheme is, through an award of Shares, to:
  - (A) recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and
  - (B) to attract suitable personnel for further development of the Group.
- 2.2 This Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the GEM Listing Rules) arising in relation to this Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice:
  - (A) the powers of the Trustee as provided under the Trust Deed, or
  - (B) the powers of the Remuneration Committee on recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under this Scheme.
- 2.3 A Selected Participant shall ensure that the acceptance, vesting and the holding of any Awarded Shares under this Scheme and the exercise of all rights attaching thereto 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 Board may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.
- 2.4 Subject to paragraph 12, this Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but these rules of this Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

2.5 This Scheme is conditional on:

- (A) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the Shares as may be required to be allotted and issued in respect of the Awards to be granted under this Scheme; and
- (B) the passing of the resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt this Scheme; (2) authorising the Board to grant Awards under this Scheme.

### 3. AWARD OF SHARES

3.1 The Board shall, subject to and in accordance with these rules of this Scheme, be entitled (but shall not be bound) to, at any time during the continuation of this Scheme, make an award (“Award”) out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid as the Board shall, subject to paragraph 7, determine (including the imposition of conditions of vesting) pursuant to these rules of this Scheme. For the avoidance of doubt:

- (A) until so selected, no Eligible Participant shall be entitled to participate in this Scheme;
- (B) the Board shall not make any Award unless and until it has received confirmation from the Trustee or SPV (as the case may be) as to the number of Shares held under the Shares Pool and which are not already the subject of any Awards;
- (C) the number of Awarded Shares to be provisionally awarded by the Board to any Selected Participant (or, where the Board at the same meeting is to consider the making of any Awards to two or more Selected Participants, the total number of Awarded Shares to be provisionally awarded to such Selected Participants) shall not exceed the difference between the following:

TT-LL

where

TT = the total number of Shares held under the Shares Pool, and

LL = the aggregate number of (i) Shares which have been provisionally awarded under this Scheme and which then remain outstanding, and (ii) Shares which are proposed to be considered and approved at the same meeting to be provisionally awarded to other Selected Participants.

3.2 Without prejudice to paragraph 4.2,

- (A) the making of an Award to Connected Persons (including any director, chief executive or substantial shareholder of the Company or their respective associates) must be approved by the independent non-executive Directors;
- (B) the maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under this Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) of the Company in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (“**1% Individual Limit**”). Where any grant of Award to a Selected Participant may result in exceeding the 1% Individual Limit, the Company shall not grant such Award(s) unless it is separately approved by the Shareholders in general meeting, with such Selected Participant and his/her close associates (or associates if the Selected Participant is a Connected Person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Selected Participant, the number and terms of the Awards to be granted (and those previously granted to such Selected Participant in the 12-month period), the purpose of granting Awards to the Selected Participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of Awards to be granted to such Selected Participant must be fixed before Shareholders’ approval;
- (C) where any grant of Award(s) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of his/her associates would result in the Shares issued and to be issued in respect of all awards granted under the Scheme and all other share award schemes (excluding any awards lapsed in accordance with the terms of the respective share award schemes) to such person in any 12-month period up to and including the date of such relevant grant, representing in aggregate over 0.1% of the issued share capital of the Company, such further grant of Award(s) must be approved by the Shareholders in general meeting in the manner set out in paragraph 3.2(E);

- (D) where any grant of Award(s) to 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 options and awards granted to such person under the Scheme and all other share schemes of the Company (excluding any options or awards lapsed in accordance with the terms of the respective 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 issued share capital of the Company, such further grant of Award(s) must be approved by the Shareholders in general meeting, with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting in the manner set out in paragraph 3.2(E).
- (E) In the circumstances described in paragraphs 3.2(C) and (D), the Company must send a circular to the Shareholders. The Selected Participant, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules. The circular must contain: (a) details of the number and terms of the Awards to be granted to each Selected Participant, which must be fixed before the Shareholders' meeting; (b) the views of the independent non-executive Directors 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) the information required under rules 23.02(2)(C) and 2.28 of the GEM Listing Rules.
- 3.3 In determining the eligibility of, and the terms of Award to, any Selected Participant, the Board or the Remuneration Committee shall take into consideration matters including, but without limitation to:
- (A) the present and expected contribution of the relevant Selected Participant to the development and growth of the Group;
  - (B) skills, educational and professional qualifications, knowledge, experience, expertise and other relevant personal qualities;
  - (C) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (D) the general financial condition of the Group;
  - (E) the Group's overall business objectives and future development plan; and
  - (F) any other matter which the Board considers relevant.

- 3.4 The Board shall notify the Trustee in writing upon the making of an Award under this Scheme and, in the Award Notice, the Board shall specify the following:
- (A) the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant;
  - (B) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award;
  - (C) the earliest date (unless otherwise determined by the Board at its discretion), on which the Trustee (or SPV as authorised by the Trustee) may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant under paragraph 5.3 (“**Earliest Vesting Date**”);
  - (D) the condition(s) or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under such Award. Such performance target may include: without limitation (i) financial parameters in respect of the Group (such as revenue, market share of the Group’s relevant products or services and net profit), (ii) non-financial parameters of the Group (such as contribution to the branding/reputation or business development of the Group); (iii) individual performance indicators relevant to the Selected Participant’s roles and responsibilities (such as sales amount, number of customers introduced, number of contracts entered and number of point of sales established), that and/or (iv) other targets to be determined in the sole discretion of the Board or the Remuneration Committee. Depend on the work task assigned to each Eligible Participant, the Board would consider various non-financial parameters including but not limited to market share, customers’ complaints, personnel turnover ratios, personnel training and development, product or service quality, delivery reliability, minimisation of wastages and losses etc.;
  - (E) the amount, if any, payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid;
  - (F) the purchase price (if any) in respect of any particular Award, which shall be such price as the Board or the Remuneration Committee may in its absolute discretion determine at the time of grant of the relevant Award and taking into consideration factors including but not limited to the prevailing closing price of the Shares, the purpose of this Scheme and the characteristics and profile of the relevant Selected Participant(s) etc.;
  - (G) the lock-up period, if any, of the Awarded Shares transferred to and vested in such Selected Participant under such Award; and

- (H) such other terms and conditions of such Award as may be imposed by the Board as are not inconsistent with these rules of this Scheme and the Trust Deed on either the Trustee (with the prior written consent of the Trustee unless the same has already been provided for in the Trust Deed) and the relevant Selected Participant, or any of them before the Awarded Shares may be transferred to and vested in such Selected Participant.
- 3.5 The Board shall notify the Selected Participant in writing within three (3) Business Days (or otherwise determined) after an Award has been provisionally made to such Selected Participant and the notice shall contain substantially the same information as that set out in the Award Notice provided that nothing contained in such notice shall be construed as conferring any rights, interests, benefits and title to and in the Awarded Shares on such Selected Participant before the vesting of the legal and beneficial ownership of such Awarded Shares in the Selected Participant in accordance with these rules of this Scheme. A Selected Participant may accept the Award made by way of the Award Notice in the manner set out in the Award Notice and within ten (10) Business Days from the date of the Award Notice (unless otherwise specified in Award Grant Notice). Unless otherwise determined by the Board or the Remuneration Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to bear or pay any price or fee for the acceptance of the Award. An Award shall be deemed to be unconditionally declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he/she would accept such Award within ten (10) Business Days and the terms of the Award Notice.
- 3.6 For so long as the Shares are listed on the Stock Exchange:
- (A) an Award or, as the case may be, any instruction of the Board to the Trustee (who will authorise SPV, if so established and subsisting) to subscribe or acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made after a price sensitive event in relation to the securities of the Company or event which constitutes inside information (as defined in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) has occurred or an inside information matter has been the subject of a decision until (and including) the trading day after such price sensitive information and/or inside information has been published in accordance with the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In particular, (i) during the period commencing one month immediately preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of

publication of the relevant financial results; (ii) during the period commencing 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; (iii) during the period commencing 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (iv) during any period of delay in publishing a results announcement, no Award may be made;

- (B) the Board may not make an Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and
- (C) during the periods referred to in paragraphs (A) and (B) above, no purchases, subscriptions and/or vesting of Shares can be effected by the Trustee.

- 3.7 An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so provided that the Selected Participant may, subject to the requirements in the GEM Listing Rules (including where applicable, the obtaining of a waiver from the Stock Exchange), assign the Award to a vehicle (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of the GEM Listing Rules. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant.

#### **4. POOL OF AWARDED SHARES**

- 4.1 Following the receipt of an Award Notice, the Trustee shall as and when practicable set aside from the Shares Pool the Awarded Shares provisionally awarded to the Selected Participant to whom such Award Notice relates pending the transfer and vesting of the Awarded Shares under the Award to which such Award Notice relates in accordance with paragraph 5. The Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall hold the Awarded Shares so set aside during the Vesting Period on the terms of the Trust Deed. The Trustee may, at any time during the continuation

of this Scheme and the Trust Deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee (or SPV as authorised by the Trustee) pursuant to the Trust Deed (“**Shares Pool**”) comprising the following:

- (A) such Shares as may be (i) transferred to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) from any person (other than the Group) by way of gift, or (ii) subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) in accordance with paragraph 4.4 by utilising the funds received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) from the Gift Contribution, but subject to the limitations set out in paragraph 7;
- (B) such Shares as may be subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) in accordance with paragraph 4.2 by utilising the Group Contribution, but subject to the limitations set out in paragraph 7;
- (C) such Shares as may be subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) at its discretion pursuant to paragraphs 4.4 or 5.4(B) by utilising any surplus Gift Contribution or, as the case may be, the net proceeds of the sale of the relevant nil-paid rights, options or warrants;
- (D) such Returned Shares which remain unvested and revert to the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) pursuant to paragraphs 5.5 or 6.

4.2 The following provisions of this paragraph 4.2 shall provide for and govern the subscription and purchase of the Awarded Shares by utilising the funds allocated by the Board out of the Company’s resources (“**Group Contribution**”):

- (A) At the beginning of each financial year of the Company or at such other times as the Board shall determine, the Board shall (after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group’s business and financial performance, its business plans and cashflow requirements)) determine the amount of the Group Contribution (which may be varied from time to time by the Board) (“**Group Contribution Threshold**”) to be allocated to the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) during such financial year for subscribing or purchasing Shares pursuant to this paragraph 4.2 for the purpose of implementation of this Scheme.



- (B) The Group Contribution Threshold shall (and is intended to) be applied to cover (i) the subscription or purchase prices for the Shares to be subscribed or purchased for implementation of this Scheme (as the case may be), and (ii) all related expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy and such other necessary expenses) required for the completion of the subscription or purchase of all the Awarded Shares (as the case may be).
- (C) At any time during any particular financial year, the Board, after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), may from time to time cause to be paid to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) from the Company's resources such amount of moneys which may be utilised by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) to subscribe for or purchase Shares which will constitute the Shares Pool, provided that the amount of moneys so paid together with any moneys paid for that financial year shall not in any event exceed the Group Contribution Threshold.
- (D) Within thirty (30) Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned, which extended period of time shall be brought to the attention of SPV (if so established and subsisting and authorised by the Trustee) on a concurrent basis)) after receiving the Group Contribution or any proceeds arising from such sales as mentioned in paragraph 5.4(B), the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall apply the same towards the purchase of the maximum number of board lots of Shares or the Further Shares, respectively at the prevailing market price. In the event that the Trustee (or, as the case may be, SPV) effects any purchases by off-market transactions, the purchase price for such purchases shall be determined solely by the Trustee by reference to the prevailing and recent market prices.
- (E) In the event that the Board shall considers it appropriate for the Trustee to subscribe for Shares by utilising the Group Contribution, the Board shall notify the Trustee in writing upon the satisfaction of the condition referred to in paragraphs 4.2(J) and, subject to paragraph 3.6(A), the Board shall instruct the Trustee in writing to apply to, and the Trustee shall within ten (10) Business Days after receipt of such instruction apply to, the Company for the allotment and issue of the appropriate number of new Shares at par or at such other subscription price as instructed by the Board.

- (F) If there are any excess Group Contributions after all the said subscription and/or purchases during any financial year, the excess Group Contributions shall be returned by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) to the Company as soon as reasonably practicable after completion of all such subscription and/or purchases, unless otherwise directed by the Board.
- (G) Any grant of Award to Connected Persons shall be subject to the prior approval of the independent non-executive Directors and compliance with the requirements of the GEM Listing Rules.
- (H) For the avoidance of doubt, Shares subscribed and/or purchased under this paragraph 4.2 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.
- (I) Subject to the provisions of the Trust Deed, the Trustee may establish a special purpose vehicle (“**SPV**”) for the purpose of this Scheme and, subject to the authorisation given by the Trustee to SPV, SPV may subscribe or purchase Shares to constitute the Shares Pool and to liaise with brokers and/or other parties to effect the above subscription or purchases). The composition of the board of directors of SPV shall be decided by the Trustee after consulting the Board. The Trustee (after consulting the Board) may establish policies, rules and regulations to be followed by SPV in connection with the exercise of the powers as authorised by the Trustee.
- (J) The total number of Shares to be allotted and issued to the Trustee under this Scheme shall not exceed the limit specified in paragraph 7.1 and any allotment and issue of such Shares by the Company to the Trustee pursuant to this paragraph 4.2 shall only be made (i) with available Scheme Mandate Limit approved by Shareholders; and (ii) after the GEM Listing Committee has granted the approval of the listing of and permission to deal in such Shares.

- 4.3 If any proposed purchase of Shares under paragraph 4.2(D) shall fall on any day on which the Directors are restricted from making any Award or giving any instruction as referred to in paragraph 3.6(A), the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall not effect the relevant purchase. The Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall notify the Board in writing at least three (3) Business Days in advance of a proposed date of purchase under paragraph 4.2(D) and the Board shall instruct the Trustee (and concurrently SPV, if so established and subsisting and authorised by the Trustee) in writing at least two (2) Business Days prior to such proposed date of purchase if such purchase has to be postponed by reason of this paragraph 4.3, whereupon such purchase shall be postponed to such date as notified by the Board (to the Trustee and SPV (if established and subsisting and authorised by the Trustee) in writing (and in case the Shares are not traded on the Stock Exchange on such date, the next Business Day on which the Shares are traded on the Stock Exchange).
- 4.4 In the event of any Shares or moneys being transferred to the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) by way of gift or for nominal consideration (“**Gift Contribution**”) from any person other than the Group, the following provisions of this paragraph 4.4 shall provide for and govern the subscription or purchase of the Awarded Shares by utilising the funds so received and the allocation of the Awarded Shares so received or acquired by funds arising from the Gift Contribution:
- (A) In respect of the making of any Award to any Eligible Participants:
- (i) the provisions in paragraph 3.1 shall be applicable mutatis mutandis, except to the extent that the reference as provided under paragraph 3.1 to “paragraph 7.1” for the purpose of prescribing the maximum number of Awarded Shares which may be subscribed for and/or purchased during each financial year under this Scheme shall become reference to “the amount of Gift Contribution actually received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee)” for the purpose of this paragraph 4.4; and
  - (ii) the provisions in paragraphs 3.2 to 3.8 (both inclusive) shall be applicable mutatis mutandis.

- (B) Where the Gift Contribution is received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) in the form of assets (whether money or otherwise) other than Shares:
- (i) Within thirty (30) Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to all the circumstances of the purchase concerned and also the size of the Gift Contribution) after receiving the Gift Contribution, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall apply the relevant Gift Contribution towards the purchase of the maximum number of board lots of Shares at the prevailing market price. If the Gift Contribution is in the form of listed securities, the Trustee (or SPV, as the case may be) shall have the power to sell those securities and apply the proceeds therefrom for the acquisition of Shares for the purpose of this Scheme. In the event that the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) effects any purchases by off-market transactions, such purchases shall not be made with any Connected Person, nor shall the purchase price for such purchases be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five (5) preceding trading days on which the Shares were traded on the Stock Exchange.
  - (ii) Any surplus Gift Contribution received under this paragraph 4.4 but not fully utilised for purchasing Awarded Shares shall be retained by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) and may be applied to purchase Shares for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and shall, if remains unutilised upon the termination of this Scheme, be treated and dealt with as Residual Cash.
  - (iii) The provisions in sub-paragraphs 4.2(G) shall be applicable mutatis mutandis.
  - (iv) For the avoidance of doubt, Shares received as Gift Contribution or purchased by using the funds received by way of Gift Contribution under this paragraph 4.4 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.

- (v) The amount of funds to be applied by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee)) for the purpose of purchasing any Shares pursuant to this paragraph 4.4(B) shall not exceed the total of (a) the amount of money received as Gift Contribution by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee), and (b) (where applicable) proceeds arising from the disposal of the relevant assets (excluding any Shares transferred to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) as Gift Contribution) received as Gift Contribution by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee).
- (C) For the purpose of this paragraph 4.4, the provisions in paragraph 4.3 shall be applicable mutatis mutandis.
- (D) Where any Shares are received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) as Gift Contribution, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall not sell or dispose of such Shares but shall treat and account for all such Shares as assets in the Shares Pool.

## **5. VESTING OF THE AWARDED SHARES**

- 5.1 The vesting of any Awards shall be subject to a Vesting Period to be determined by the Board in its absolute discretion, provided that the Vesting Period shall not be less than twelve (12) months, subject to a shorter vesting period for the Awarded Shares granted to Selected Participants at the discretion of the Remuneration Committee or the Board under each of the following circumstances in respect of a Selected Participant:
- (a) grants of “make-whole” Awards to Selected Participants who are new employees to replace the share awards they forfeited when leaving the previous employers;
  - (b) grants to a Selected Participant whose employment is terminated due to death, disability or occurrence of any out-of-control event;
  - (c) grants of Awards with performance-based vesting conditions provided in accordance with the rules of this Scheme in lieu of or in addition to 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 (including Awards that should have been granted earlier but had to wait for a subsequent batch);

- (e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; and
  - (f) grants of Awards with a total vesting and holding period of more than 12 months.
- 5.2 The Board may at its discretion specify any condition in the offer letter upon the grant of the Award which must be satisfied before the Awarded Shares may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the Remuneration Committee and the Board) of the conditions imposed by the Remuneration Committee and the Board. The Remuneration Committee and the Board or person(s) to which the Remuneration Committee and the Board delegated their authority may either direct and procure the Trustee(s) to release from the Trusts the Awarded Shares to the Selected Participants by transferring the number of Awarded Shares to the Selected Participants in such manner as determined by the Remuneration Committee and the Board from time to time.
- 5.2A In certain circumstances, it may be regarded as inequitable for any Awarded Shares to be vested or retained, as applicable. Such Awarded Shares are therefore subject to Clawback, including but not limited to circumstances where there has been a material misstatement or omission in the financial statements of the Group made by a Selected Participant or if the relevant Selected Participant has engaged in gross negligence, fraud or misconduct, breached the Company's policies, rules or regulations, has been summarily dismissed or other circumstances. Notwithstanding anything else in the Scheme Rules, any Awarded Shares may be subject to Clawback pursuant to the Company's Clawback mechanism, as amended from time to time. The Awarded Shares that are clawed back will be regarded as lapsed and the Awarded Shares so lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 5.3 Subject to paragraph 5.6, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall transfer to and vest in the relevant Selected Participant (but may be held by the Trustee or SPV on their behalf) if determined by the Board the legal and/or beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award and all the Other Distributions attributable to such Awarded Shares within ten (10) Business Days after the latest of:
- (a) the Earliest Vesting Date as specified in the Award Notice to which such Award relates; and
  - (b) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such Selected Participant as specified in the related Award Notice have been attained and notified to the Trustee by the Board in writing.

If the Vesting Date falls on any day on which the Directors are restricted from making any Award as referred to in paragraph 3.6, the Vesting Date shall be postponed. The Trustee (or SPV) shall notify the Board in writing at least three (3) Business Days in advance of a proposed Vesting Date and the Board shall instruct the Trustee and concurrently SPV (if so established and subsisting and authorised by the Trustee) in writing at least two (2) Business Days in advance if such proposed Vesting Date has to be postponed by reason of this paragraph 5.3, whereupon such proposed Vesting Date shall be postponed to such date as notified by the Board to the Trustee (and SPV, if so established and subsisting and authorised by the Trustee) in writing.

5.4 During the Vesting Period:

- (A) in respect of any performance targets as may be specified by the Board or the Remuneration Committee in the Award Notice that must be fulfilled before the Awarded Shares may be vested in the relevant Selected Participant, the Board or the Remuneration Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Remuneration Committee, including the comparison of the performance of the Group and/or the individual performance of the Selected Participant with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled. The Board or the Remuneration Committee shall have the authority, after the grant of any Award which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee;
- (B) any dividends and other distributions (“**Other Distributions**”) declared and made in respect of any Awarded Shares shall be held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) for the benefit of, and shall only be payable or transferable (as the case may be) to, the relevant Selected Participant when such Awarded Shares are vested in such Selected Participant in accordance with paragraph 5.3;
- (C) if the Company offers to its Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders for such rights, options or warrants, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall sell any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) if there is an open market for such rights, options or warrants. The net proceeds of such sale (if so sold) shall be applied to purchase and/or subscribed for Shares at such time and for such number at the sole

discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of this Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any nil-paid rights, options or warrants (or the underlying Shares, or the proceeds of sale of any such nil-paid rights, options or warrants) allocated under such offer;

- (D) if the Company offers to the Shareholders new shares or other securities for subscription by way of rights, options, warrants or other open or preferential offer and consideration is required to be paid for the taking up and/or the exercise of such rights, options, warrants or open or preferential offer, the Trustee shall (or via SPV, if so established and subsisting and authorised by the Trustee) decline to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any such offer;
- (E) without prejudice to sub-paragraph (A) above, with respect to any dividends declared by the Company and in connection with which the Company allows its Shareholders to elect to receive Shares in lieu of cash (as provided for in the relevant announcement and/or circular of the Company), then in respect of the Awarded Shares provisionally set aside for any Selected Participant which have not vested, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) (after consulting the Board) shall have the right (in its absolute discretion) to determine whether it shall elect to receive Shares in lieu of cash or cash in respect of such dividends, and any such scrip dividend or cash dividend so elected and received by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall be treated as and constitute Other Distributions referred to in paragraph 5.4(A). For the avoidance of doubt, no Selected Participants shall have any right to give any direction to, or make any claim against, the Trustee in relation to the making of the said election; and
- (F) in case of a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), and such offer becomes or is declared unconditional prior to the vesting of the Awarded Shares in the relevant Selected Participants pursuant to paragraph 5.3, the Board shall have the right in its absolute discretion to determine whether the Trustee shall elect to accept such offer (or any revised offer) and, if applicable, shall direct the Trustee in writing to accept such offer accordingly. For the avoidance of doubt, the Board shall be deemed to have directed the Trustee not to accept that offer (or revised offer) if no direction in writing in



relation to that offer (or revised offer) is actually received by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) within ten (10) Business Days after the date of that offer (or revised offer). In the event that the offer (or revised offer) is so elected to be accepted, all proceeds in respect of the Awarded Shares paid or payable to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) by reason of such acceptance shall be held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) for the benefit of the relevant Selected Participant, and the same shall only be payable to the relevant Selected Participant on the Vesting Date of the Award relating to such Selected Participant has not lapsed or been cancelled under paragraph 6.

5.5 In the event of the death of a Selected Participant, the Trustee (or SPV, if so established and subsisting and authorised by the Trust) shall hold the vested Awarded Shares and the Other Distributions (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the legal personal representatives of the Selected Participant and subject as aforesaid the Trustee (or SPV, if so established and subsisting and authorised by the Trust) shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within:

- (A) two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or
- (B) the Trust Period,

(whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Participant, as notified by the Board in writing together with a copy of the death certificate of such Selected Participant or such other documents or evidence of death of such Selected Participant as may be reasonably required by the Trustee, whereupon the Trustee shall be discharged from all duties and liabilities in respect of such Selected Participant or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits (other than such Other Distributions in cash so forfeited which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of this Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) shall be held as Returned Shares for the purposes of this Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee (or SPV as authorised by the Trustee) in every way as if they had remained part of the trust fund of the trust constituted by the Trust Deed.

**6. LAPSE OF AWARDS AND RETURNED SHARES**

- 6.1 In the event that any Selected Participant ceases to be an employee by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled unless otherwise determined by the Board.
- 6.2 In the event the Award is cancelled but a new Award is made to the same Selected Participant, such new Award may only be made with available Scheme Mandate Limit approved by Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 6.3 Save as provided in paragraph 5.1 and subject to the GEM Listing Rules and determined otherwise by the Board at its sole discretion, in the event:
- (A) a Selected Participant ceases to be an employee (other than death, disability or occurrence of any out-of-control event); or
  - (B) the Subsidiary by which a Selected Participant is employed as an employee ceases to be a Subsidiary (or of a member of the Group); or
  - (C) the Selected Participant has been summarily dismissed by the Company; or
  - (D) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in The People's Republic of China, Hong Kong or any other applicable laws or regulations in force from time to time; or
  - (E) any of the vesting conditions upon an Award to the relevant Selected Participant as determined by the Remuneration Committee and the Board was not fulfilled; or
  - (F) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date; or
  - (G) the Board shall at its absolute discretion determine that (a) the Selected Participant or his/her associate has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; or (b) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any act of bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reason whatsoever; or

- (H) 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); or
- (I) a Selected Participant is found to be an Excluded Participant

(each of these, an event of “**Total Lapse**”), the Award shall automatically lapse forthwith and all the Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of this Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of this Scheme.

- 6.4 In the event (i) the vesting conditions are not, in the sole opinion of the Board, satisfied in respect of the relevant part of the Award; or (ii) (subject to paragraph 5.3) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) (or such later date as may be determined by the Trustee at its sole and absolute discretion having regard to all relevant circumstances) for the relevant Awarded Shares and the Other Distributions within the stipulated period as provided in or determined in accordance with these rules of this Scheme (each of these, an event of “**Partial Lapse**”), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of this Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of this Scheme.

- 6.5 Except in the circumstances as set out in paragraph 5.1 in respect of the death of a Selected Participant or retirement of a Selected Participant at his/her normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total Lapse,
- (A) subject to sub-paragraph (C) and barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, one (1) month prior to any Vesting Date, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall send to the relevant Selected Participant (with a copy to the Company) a notice in writing together with such prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and Other Distributions attributable thereto on the relevant Vesting Date;
  - (B) subject to the receipt by the Trustee no later than the date falling seven (7) Business Days before the Earliest Vesting Date of (i) transfer documents prescribed by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) and duly signed by the Selected Participant within the period stipulated in the notice in writing referred to in paragraph 6.5(A) hereof, and (ii) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall transfer the relevant Awarded Shares and the Other Distributions in respect thereof to the relevant Selected Participant; and
  - (C) in the event that the number of Business Days between the date of the Award Notice and the Earliest Vesting Date is less than one month, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall (within five (5) Business Days from the date of it being notified by the Board of the making of the Award in accordance with paragraph 3.4) send to the relevant Selected Participant (with a copy to the Company) a notice in writing together with such prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and Other Distributions attributable thereto on the relevant Vesting Date.
- 6.6 The Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

## 7. SCHEME MANDATE LIMIT

- 7.1 The maximum number of Shares which may be allotted and issued in respect of all options and awards to be granted under this Scheme and any other share schemes of the Company (not taking into account any refreshments as detailed in paragraph 7.3) (“**Scheme Mandate Limit**”) shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of this Scheme by the Shareholders at a general meeting. The Scheme Mandate Limit shall be 36,027,400 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, on the basis that there are 360,274,000 Shares in issue at the latest practicable date of the circular of the Company dated 29 September 2023 and assuming that no other Shares are issued or repurchased by the Company prior to the date of the Adoption Date.
- 7.2 Options or awards lapsed in accordance with the rules of this Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 7.3 The Board may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after three years from the respective date of Shareholders’ approval of the adoption of this Scheme or the date of Shareholders’ approval of the last refreshment (as the case may be). Any refreshment of the Scheme Mandate Limit within any three year period from the date of Shareholders’ approval for the last refreshment or adoption must be approved by the Shareholders subject to the following provisions:
- (A) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (B) the Company must also comply with the requirements under rules 17.47(6) and (7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

The requirements set out in (A) and (B) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.

- 7.4 Under Rule 23.03B of the GEM Listing Rules, an adjustment to the Scheme Mandate Limit may be triggered only when the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting. The maximum number of shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.
- 7.5 In any event, the total number of new Shares which may be issued in respect of all options and awards to be granted under all the share schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the number of Shares in issue as of the date of approval of the refreshed Scheme Mandate (“**New Approval Date**”). The Shares that underlie the options and awards granted under all the Company’s share schemes (including those outstanding, cancelled or vested) prior to the New Approval Date will not be counted for the purpose of determining the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- 7.6 The Company may seek separate approval by its Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit provided the Awards in excess of the Scheme Mandate Limit are granted only to Selected 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 Selected Participants who may be granted such Awards, the number and terms of the Awards to be granted to each Selected Participant, and the purpose of granting Awards to the specified Selected Participants with an explanation as to how the terms of the Awards serve such purpose. The number and terms of Awards to be granted to such Selected Participant must be fixed before Shareholders’ approval.

## **8. VOTING RIGHTS RE SHARES IN SHARES POOL AND SELECTED PARTICIPANTS HAVING NO RIGHTS**

- 8.1 The Trustee or SPV (if so established and subsisting) shall not exercise the voting rights in respect of any Shares held by them for the purpose of this Scheme (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Further Shares, the Returned Shares, any bonus Shares and scrip Shares). For the avoidance of doubt, the Trustee holding unvested Shares in the Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the GEM Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

- 8.2 The Selected Participants shall not have any right to receive any Awarded Shares set aside for them pursuant to paragraph 4 and all Other Distributions attributable thereto unless and until the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) has transferred and vested the beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms hereof. For the avoidance of doubt:
- (A) a Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date, and shall only have a contingent interest in the Awarded Shares and the Other Distributions which are referable to him/her subject to the vesting of such Shares in accordance with paragraph 5.3;
  - (B) a Selected Participant shall have no rights in the Residual Cash or such other trust fund or property held by the Trust or any of the Returned Shares;
  - (C) no instructions may be given by a Selected Participant to the Trustee (or SPV) in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed;
  - (D) a Selected Participant shall have no rights in the balance fractional share of the Other Distributions of an Award and the fractional share arising out of consolidation of Shares (and such Shares shall be deemed as Returned Shares for the purposes of this Scheme);
  - (E) where a Selected Participant ceases to be an employee on the relevant Vesting Date, the award of the Awarded Shares and the Other Distributions in respect of the relevant Vesting Date shall lapse, such Awarded Shares and Other Distributions shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Trustee or SPV; and
  - (F) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in paragraph 5.5, and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee or SPV.
- 8.3 The Awarded Shares prior to the Vesting Date do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.
- 8.4 The Awarded Shares granted under the Awards, when issued and allotted, shall rank pari passu among themselves and with the Shares in issue.

**9. REORGANISATION OF CAPITAL STRUCTURE AND DISTRIBUTION OF COMPANY'S ASSETS**

- 9.1 In the event of any alteration in the capital structure of the Company following the commencement of this Scheme from any issue of shares in or other securities of the Company by way of subdivision, consolidation or reduction of the share capital or any capitalisation issue or right issue which the Board considers an adjustment as necessary under this paragraph, corresponding changes will be made to the number of outstanding Awarded Shares that have been granted and, if necessary, the purchase price for the Awarded Shares provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Scheme for the Selected Participants. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Awarded Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant vesting date. The Trustee shall hold Returned Shares to be applied in accordance with the provisions of the rules of this Scheme for the purpose of this Scheme.
- 9.2. Any adjustments made under the foregoing paragraph must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or auditors of the Company must confirm to the Directors in writing that the adjustment satisfy the requirements of the relevant provision of the GEM Listing Rules.

**10. DISPUTES**

Any dispute arising in connection with this Scheme shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.



**11. ALTERATION OF THE RULES OF THIS SCHEME**

- 11.1 This Scheme may be amended in any respect by the Board or the Board by a board resolution provided that no such amendment shall operate to affect adversely the terms of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under any applicable law for the time being for a variation of the rights attached to the Shares, and provided that no such amendment or alteration to the Scheme which affects the Trustee's rights and obligations under this Trust Deed shall be made without the prior written consent of the Trustee (save as may be required to comply with the applicable laws, rules or regulations including amongst others the GEM Listing Rules and/or the SFO), subject to Clause 11.2 below.
- 11.2 Any alteration to the terms and conditions of the Scheme (i) of a material nature; (ii) relates to the matters set out in rule 23.03 of the GEM Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board or Trustee to alter this Scheme, shall be approved by the Shareholders in general meeting. The Board shall have the right to determine whether any proposed alteration is material, and such determination shall be conclusive.
- 11.3 Any change to the terms of any Award granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), in accordance with the terms of this Scheme and Chapter 23 of the GEM Listing Rules, except where the alterations take effect automatically under the existing terms of this Scheme.
- 11.4 The Company shall notify the Trustee in writing as soon as practicable after such amendment or alteration is made to the Scheme by the Board or the Board by a board ordinary resolution.
- 11.5 In case there is more than one (1) Trustee, written notice of any amendment to this Scheme made by Board directly or Board resolution shall be given to all Trustees.
- 11.6 The amended terms of the Scheme shall comply with applicable laws, rules and regulations including but not limited to the GEM Listing Rules and/or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**12. TERMINATION**

12.1 This 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 Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

12.2 If, at the date of the termination of this Scheme, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) holds any Shares which has not been set aside pursuant to paragraph 4 in favour of any Selected Participant or retains any unutilised funds received as the Group Contribution or Gift Contribution or otherwise, then the Trustee (or SPV, as the case may be) shall, within thirty (30) Business Days of receiving actual notice of such termination (or such longer period as the Board may otherwise determine), sell such Shares and forthwith after the sale remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

12.3 Upon termination of this Scheme:

- (A) all the Awarded Shares and the Other Distributions attributable thereto shall become vested on the Selected Participant so referable on the Vesting Date, save in respect of the Total Lapse;
- (B) Returned Shares and such non-cash income remaining in the trust fund (but not constituting to Other Distributions attributable to any particular Selected Participants) shall be sold by the Trustee (or via SPV, if so established and subsisting and authorised by the Board), within thirty (30) Business Days (on which the trading of the Shares has not been suspended) of receiving actual notice of such termination of this Scheme (or such longer period as the Board may otherwise determine or as required to ensure compliance with relevant laws and regulations (including the avoidance of any material fluctuation in the trading price or volume)); and

- (C) Residual Cash, net proceeds of sale referred to in paragraph 12.3(B) hereof and such other funds remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale or on termination, as the case may be. For the avoidance of doubt, neither the Trustee nor SPV (if so established and subsisting) may transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph 12.3(B) hereof).

### **13. CANCELLATION**

- 13.1 An Award that has not been vested may be cancelled by the Board (i) with the consent of the relevant Selected Participant; or (ii) the Selected Participant committing the breach as referred to in paragraph 3.7 above. For the avoidance of doubt, where the Company cancels Awards granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made with available Scheme Mandate Limit, and that Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

### **14. MISCELLANEOUS**

- 14.1 These rules of this Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Selected Participant, and the rights and obligations of any Selected Participant under the terms of his/her office or employment shall not be affected by his/her participation in this Scheme or any right which he/she may have to participate in it and this Scheme shall afford such Selected Participant no additional rights to compensation or damages in consequence of the termination of his/her office or employment for any reason.
- 14.2 The Company shall bear the costs and expenses of establishing, administering and implementing this Scheme (including, for the avoidance of doubt, the Trustee's fees and costs, any transaction levy, investor compensation levy, brokerage, trading fee, trading tariff, stamp duty and any other tax and expenses of whatsoever nature payable on the part of a Selected Participant or the Trustee in respect of any sale, purchase, vesting or transfer of, or subscription for, Shares pursuant to this Scheme, but excluding any costs, expenses, levies and taxes which are determined by the Board (in its absolute discretion) to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participant(s) or otherwise unrelated to the making of the relevant Award under this Scheme and which shall be payable by the relevant Selected Participant(s).

14.3 Any notice or other communication between the Company, the Board, any Selected Participant, the Trustee and/or SPV (where applicable) may be given by sending the same by prepaid post or by personal delivery to:

- (A) in the case of the Company or the Board, the principal place of business of the Company in Hong Kong, or the place determined by the Board from time to time;
- (B) in the case of the Trustee or SPV, its principal place of business in Hong Kong or such other address as notified by the Trustee or by SPV to the Company from time to time; and
- (C) in the case of any Selected Participant, his/her last known address as notified by such Selected Participant to the Company from time to time or, if none or incorrect or out of date, his/her last place of employment with the Group or the Company's principal place of business in Hong Kong from time to time.

14.4 Any notice or other communication:

- (A) if sent by any Selected Participant, shall be irrevocable and shall not be effective until actually received by the Company, the Board, and the Trustee or SPV (as the case may be);
- (B) if sent to any Selected Participant shall be deemed to be given or made three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; and five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; and when delivered, if delivered by hand; and
- (C) if sent to the Trustee or SPV (as the case may be), shall be irrevocable and shall not be effective until actually received by the Trustee or SPV (as the case may be).

14.5 This Scheme shall not confer on any person any legal or equitable rights against the Company and the Trustee, or any of them, directly or indirectly or give rise to any cause of action at law or in equity against the Company and the Trustee, or any of them.

- 14.6 A Selected Participant shall, before accepting an Award and taking the transfer and vesting of the related Awarded Shares and the Other Distributions to and in him/her, obtain all necessary consents that may be required to enable him/her to accept such Award and take such transfer and vesting of the related Awarded Shares and the Other Distributions, as the case may be, in accordance with these rules of this Scheme. By accepting an Award, the Selected Participant is deemed to have represented to the Company and the Trustee (and, where applicable, SPV) that he/she has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Award by a Selected Participant. A Selected Participant shall indemnify the Company and the Trustee and SPV, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee or SPV, as the case may be, may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of such Selected Participant to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his/her acceptance of the Award and taking the transfer and vesting of the related Awarded Shares and Other Distributions to and in him/her as referred to in this paragraph 14.6.
- 14.7 A Selected Participant shall pay all tax and discharge all liabilities to which he/she may become subject or liable as a result or consequence of his/her participation in this Scheme, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Shares to and in him/her, or any of the foregoing.
- 14.8 The Trustee may rely on the Award Notices and instructions and directions in writing, or any of them, given to it by the Directors (or any one or more of them) from time to time under this Scheme, and the contents thereof, without further and/or independent inquiry or verification, and may assume the same and the transactions contemplated thereby to be in compliance with all applicable laws, rules, regulations, codes, and guidelines, whether statutory, regulatory, administrative or otherwise and whether having the force of law, and these rules of this Scheme and the Trust Deed.
- 14.9 In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the GEM Listing Rules from time to time.

## **15. GOVERNING LAW**

- 15.1 This Scheme shall operate subject to any applicable law of Cayman Islands (being the place of incorporation of the Company).
- 15.2 This Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

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### **AL Group Limited** **利駿集團（香港）有限公司**

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

**(Stock Code: 8360)**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of AL Group Limited (the “**Company**”) will be held at 22/F, China Hong Kong Tower, 8-12 Hennessy Road, Wan Chai, Hong Kong on Friday, 20 October 2023 at 12:00 noon for the following purposes:

#### **ORDINARY RESOLUTIONS**

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

1. **“THAT:**

- (a) subject to and conditional upon the GEM Listing Committee (as defined in the circular of the Company dated on the same day as this Notice (the “**Circular**”)) granting approval for the listing of and permission to deal in the shares of the Company to be issued pursuant to the exercise of any Options (as defined in the Circular) to be granted pursuant to the 2023 Share Option Scheme (as defined in the Circular), as defined and summarised in Appendix I to the Circular (the rules of which are contained in the document marked “A” and produced to the meeting and for the purposes of identification initialled by the chairman of the meeting), the 2023 Share Option Scheme be and is hereby approved and adopted and the Directors (as defined in the Circular) be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the 2023 Share Option Scheme, including but without limitation:
  - i. to administer the 2023 Share Option Scheme in accordance with its terms;

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- ii. to grant the Options to the Eligible Participants (as defined in the Circular) under the 2023 Share Option Scheme and allotting and issuing from time to time such number of new Shares (as defined in the Circular) as may be required to be issued pursuant to the exercise of the Options that may be granted under the 2023 Share Option Scheme;
  - iii. to modify and/or amend the rules of the 2023 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the 2023 Share Option Scheme relating to the modification and/or amendment and is in compliance with Chapter 23 of the GEM Listing Rules (as defined in the Circular);
  - iv. to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new Shares that may be allotted and issued pursuant to the exercise of the Options granted or to be granted under the 2023 Share Option Scheme; and
  - v. to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Option Scheme; and
- (b) subject to and conditional upon the 2023 Share Option Scheme becoming unconditional, the Existing Share Option Scheme (as defined in the Circular) be and is hereby terminated except that the provisions of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to its termination, or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme.”

2. **“THAT:**

subject to and conditional upon the GEM Listing Committee granting approval for the listing of and permission to deal in the shares of the Company to be issued on to the vesting of any Awarded Shares (as defined in the Circular) pursuant to any Awards (as defined in the Circular) which may be granted under the 2023 Share Award Scheme (as defined in the Circular), as defined and summarised in Appendix II to the Circular (the rules of which are contained in the document marked “B” and produced to the meeting and for the purposes of identification initialled by the chairman of the meeting), the 2023 Share Award Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things,

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for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the 2023 Share Award Scheme, including without limitation to the following:

- (a) administering the 2023 Share Award Scheme in accordance with its terms;
- (b) to grant the Awards to the Eligible Participants (as defined in the 2023 Share Award Scheme) under the 2023 Share Award Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Awards that may be granted under the 2023 Share Award Scheme;
- (c) to modify and/or amend the 2023 Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Award Scheme relating to modification and/or amendment and is in compliance with Chapter 23 of the GEM Listing Rules;
- (d) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new Shares that may be allotted and issued pursuant to the vesting of the Awards granted or to be granted under the 2023 Share Award Scheme; and
- (e) to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Award Scheme.”

3. **“THAT**

the Scheme Mandate Limit (as defined in the 2023 Share Option Scheme and the 2023 Share Award Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the eligible participants under all the share schemes of the Company (i.e., 10% of the Shares in issue as at the date of passing of this resolution) 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 Scheme Mandate Limit.”

By Order of the Board  
**AL Group Limited**  
**Chan Hung Kai**  
*Chairman and Executive Director*

Hong Kong, 29 September 2023



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*Registered office:*

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

*Principal place of business in Hong Kong:*

22/F, China Hong Kong Tower  
8-12 Hennessy Road  
Wan Chai  
Hong Kong

*Notes:*

- (a) Any member entitled to attend and vote at the meeting convened is entitled to appoint another person(s) as his proxy to attend and vote on his behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
- (b) To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish, in such event, the form of proxy shall be deemed to be revoked.
- (c) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand first in the Register of Shareholders in respect of the joint holding.
- (d) The above resolutions will be put to vote at the meeting by way of poll.
- (e) The Register of Members of the Company will be closed from Tuesday, 17 October 2023 to Friday, 20 October 2023 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the meeting, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 October 2023.
- (f) If tropical cyclone warning signal no. 8 or above is hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 10:00 a.m. on Friday, 20 October 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
- (g) If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at [finance@al-grp.com](mailto:finance@al-grp.com). If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Tricor Investor Services Limited  
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
HK Tel: (852) 2980 1333  
Fax: (852) 2810 8185