

*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.