
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Sunny Side Up Culture Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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S U N N Y S I D E U P

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SUNNY SIDE UP CULTURE HOLDINGS LIMITED

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

(Stock Code: 8082)

**(1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;
(2) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

This circular, for which the directors of the Company 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.

A notice convening the SGM to be held at 15th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 2 May 2024 at 1:00 p.m. (Hong Kong time) is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is also enclosed. Whether or not you are able to attend the SGM, please complete and return the form of proxy to the Hong Kong branch share registrar of the Company, Tricor Tengis 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 fixed for the meeting. The completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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

16 April 2024

CHARACTERISTICS OF GEM

The 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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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Adoption Date”	being the date on which the Share Option Scheme and/or the Share Award Scheme (as the case may be) becomes unconditional
“Amended Rules”	the amendments to the GEM Listing Rules relating to share schemes of listed issuer, which has taken effect on 1 January 2023 pursuant to the Consultation Conclusions
“Announcements”	the announcements of the Company dated 13 July 2023 and 24 August 2023 in relation to, among others, the Strategic Cooperation Agreements
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Award(s)”	award(s) granted by the Board, the committee of the Board or person to which the Board has delegated its authority to a Selected Award Participant, which may vest in the form of Awarded Shares or the actual selling price of the Awarded Shares in cash, as the Board, the committee of the Board or person to which the Board has delegated its authority (as the case may be) may determine in accordance with the terms of the Share Award Scheme Rules
“Award Letter”	a letter to be issued by the Company to each Selected Award Participant specifying the Grant Date, the number of Awarded Shares underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details as may consider necessary
“Award Period”	the period of 10 years commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date
“Awarded Share(s)”	the Share(s) granted to a Selected Award Participant in an Award
“Board”	the board of the Directors

DEFINITIONS

“Business Day”	any day on which the Stock Exchange is open for the trading of securities
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“close associate”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Sunny Side Up Culture Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on GEM (Stock Code: 8082)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Eligible Award Participant(s)”	including (a) the Employee Participant(s); and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Eligible Option Participant(s)”	including (a) the Employee Participant(s); and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options and/or Awards (as the case may be) under the Share Option Scheme and/or the Share Award Scheme (as the case may be) as inducement to enter into employment contracts with the Group)

DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 15 September 2021
“Former Share Award Scheme”	the share award scheme adopted by the Company on 6 December 2019 and terminated on 10 July 2023
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the board of the directors of the Stock Exchange elected or appointed in accordance with the articles of association of the Stock Exchange and, where the context so permits, any committee or sub-committee thereof
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange as may be amended from time to time
“Grant Date”	the date on which the grant of an Award is made to a Selected Award Participant, being the date of the relevant Award Letter
“Grantee”	any Eligible Award Participant and/or Eligible Option Participant who accepts the Award or Offer (as the case may be) in accordance with the terms of the Share Award Scheme or the New Share Option Scheme (as the case may be) or (where the context so permits and as referred to in the Share Award Scheme) his Personal Representative(s)
“Group”	the Company together with its subsidiaries, and “members of Group” shall mean the Company and/or any of its subsidiary(ies)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	10 April 2024, being the latest practicable date for ascertaining certain information contained in this circular

DEFINITIONS

“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Option Participant(s)
“Option(s)”	any option(s) to be granted to Eligible Option Participant(s) to subscribe for new Share(s) under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to be vested with the Awarded Shares granted to such Grantee (to the extent not already vested)
“PRC”	the People’s Republic of China, which for the purpose of this circular only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Returned Shares”	such Awarded Shares that are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be so under the Share Award Scheme Rules
“Scheme Limit”	the total number of Shares in respect of which Shares may be granted pursuant to the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Company
“Selected Award Participant(s)”	any Eligible Award Participant(s) approved for participation in the Share Award Scheme and who has been granted any Award pursuant to the Share Award Scheme

DEFINITIONS

“Selected Option Participant(s)”	any Eligible Option Participant(s) approved for participation in the New Share Option Scheme and who has been granted any Option pursuant to the New Share Option Scheme
“Selected Participant(s)”	Selected Award Participant(s) and/or Selected Option Participant(s), as the case may be
“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group: (i) where the continuity and frequency of their services are akin to those of employees of the Group; or (ii) after stepping down from an employment or director position with the Group, who provide advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group’s principal business activities in (i) the media and entertainment business segment; and/or (ii) the cremation and funeral services business segment that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific industry advice on the Group’s business and financial or commercial strategy, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category
“SGM”	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving, among other things, the adoption of the Share Award Scheme, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Share Award Scheme”	the share award scheme proposed to be adopted by the Company at the SGM
“Share Award Scheme Rules”	the rules set out therein relating to the Share Award Scheme as amended from time to time
“Share Option Scheme”	the Existing Share Option Scheme and/or the New Share Option Scheme, as the case may be
“Share Option Scheme Rules”	the rules set out therein relating to the New Share Option Scheme as amended from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust”	the trust constituted by the Trust Deed to service the Share Award Scheme
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Greenfield Services Limited, a company registered in Hong Kong and licensed as a trust and company service provider in Hong Kong under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), who is an Independent Third Party

DEFINITIONS

“Vesting Date”	the date or dates, as determined from time to time by the Board, the committee of the Board or person to which the Board has delegated its authority, on which the Award or Option (or part thereof) is to vest in the relevant Selected Participant pursuant to the Share Award Scheme Rules or the Share Option Scheme Rules, unless a different Vesting Date is deemed to occur in accordance with the Share Award Scheme Rules or the Share Option Scheme Rules
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



S U N N Y S I D E U P

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SUNNY SIDE UP CULTURE HOLDINGS LIMITED

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

(Stock Code: 8082)

Executive Directors:

Mr. Dong Choi Chi, Alex (*Chairman*)

Mr. Chong Cho Lam (*Chief Executive Officer*)

Independent non-executive Directors:

Dr. Ip Wai Hung

Mr. Chan Wai Man

Mr. Siu Hi Lam, Alick

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of Business:*

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Kwun Tong

Kowloon

Hong Kong

16 April 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;
(2) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The Company proposes to (1) adopt the Share Award Scheme; and (2) terminate the Existing Share Option Scheme and adopt the New Share Option Scheme subject to, among others, the approval by the Shareholders at the SGM.

The purpose of this circular is to provide you with details regarding (1) the proposed adoption of the Share Award Scheme; and (2) the termination of the Existing Share Option Scheme and the proposed adoption of the New Share Option Scheme in accordance with the GEM Listing Rules. A notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF SHARE AWARD SCHEME

The Former Share Award Scheme was adopted by the Company on 6 December 2019 and was terminated on 10 July 2023. As stated in the Announcements, the Board has reconsidered and decided to adopt the new Share Award Scheme to recognise the contributions and efforts made by the Eligible Participants, as well as to provide the Eligible Participants with incentives for their future contribution to the Group.

The 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 the shareholders of the listed issuer in general meeting. Accordingly, the adoption of the Share Award Scheme will be subject to, among others, the Shareholders' approval at the SGM. A summary of the principal terms of the Share Award Scheme Rules is set out in Appendix I hereto.

Purposes and objectives

The purposes and objectives of the Share Award Scheme are: (i) to recognise the contributions made by certain employees and persons to the Group; (ii) to provide the Eligible Award Participants with additional incentives in order to retain them for the continual operation and development of the Group; and (iii) to attract suitable personnel for further development of the Group.

The Board is of the view that the Share Award Scheme and the Share Option Scheme are two essential pillars in a comprehensive system of parallel incentive mechanism for employees, and the two share schemes do complement each other in terms of added motivation, increased flexibility and enhanced effectiveness in the Group's continuing efforts to motivate and energise its personnel, as well as to reward and retain outstanding employees. The Awarded Shares under the Share Award Scheme and the Options under the Share Option Scheme are inherently different in nature. Whereas a Selected Award Participant under the Share Award Scheme is not required to pay any price to subscribe for the Awarded Shares upon their vesting, a Selected Option Participant is required to pay the subscription price to subscribe for the Shares when exercising the Options under the Share Option Scheme. Hence, the Selected Option Participant must have immediately available funds for the payments of the subscription prices. In addition, since the values of the Options would be reduced if the market prices of the Shares decline, the significance of Options as a favoured and an accepted means to provide incentives to the Option holders will also diminish accordingly. On the other hand, the Award of Awarded Shares may be less affected by Share price movements and may not incur further costs. As such, the Board believes that the adoption of the Share Award Scheme will provide the Company with an additional tool which is more thrifty, flexible and effective in rewarding the Eligible Award Participants for their contributions to the Group.

LETTER FROM THE BOARD

Vesting period

The Directors consider that the Share Award Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long-term planning of granting of the share awards to the Eligible Award Participants (including any employee, officer or director of any member of the Group) in a longer period in the future. Under the Share Award Scheme, the vesting period of Awards shall not be less than 12 months in general. However, the Board (or the remuneration committee of the Company where it relates to grants of Awards to an Employee Participant who is a Director and/or senior manager of the Company) will have a discretion in allowing a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Award(s) to new joiners to replace the share awards they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted, which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months, which provides flexibility for the Company in granting Awarded Shares; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months.

The Board is 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 requirements under the GEM Listing Rules and market practice. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant awards in exceptional circumstances where justified, which is in line with the purposes of the Share Award Scheme.

LETTER FROM THE BOARD

Moreover, the Board or the committee of the Board or person to which the Board has delegated its authority (as the case may be) has the authority to establish performance targets in relation to the granting of the Awards. The Directors are of the view that the flexibility given to the Directors in relation to the vesting period and performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. None of the Directors is a trustee of the Share Award Scheme or has a direct or indirect interest in such trustee (if any).

Pursuant to the Share Award Scheme Rules, the Trustee however shall not exercise the voting rights in respect of any Awarded Shares.

Eligible Award Participants

Eligible Award Participants under the Share Award Scheme include (a) the Employee Participant(s); and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, subject to compliance with Chapter 23 of the GEM Listing Rules.

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

LETTER FROM THE BOARD

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the Share Award Scheme:

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
Supplier	Service Providers under this category are mainly suppliers of services, who/ which support the Group's businesses of (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable or necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to:</p> <ol style="list-style-type: none"> (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant supplier; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant supplier; (6) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied and/or provided by such supplier.

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the Share Award Scheme
<p>Independent contractor, agent, consultant and adviser</p>	<p>Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide advisory services, consultancy services and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.</p>	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

LETTER FROM THE BOARD

In view of the above, the Board (including the independent non-executive Directors) is of the view that the inclusion of Service Providers as Eligible Award Participants is fair and reasonable and aligns with the purposes of the Share Award Scheme. In addition, apart from the invaluable contributions from employees of the Group, the success of the Group also requires the co-operation and contribution from the (i) supplier; and (ii) independent contractor, agent, consultant and adviser as stated above, who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. Thus, the Board (including the independent non-executive Directors) considers that it is in line with industry norm to include (i) supplier; and (ii) independent contractor, agent, consultant and adviser as Service Providers and in turn, Eligible Awards Participants, and the terms of the grants (such as vesting requirements and performance targets, if any) align with the purposes of the Share Award Scheme.

Duration

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

Appointment of Trustee

Greenfield Services Limited has been appointed by the Company as the initial Trustee. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the initial Trustee and its ultimate beneficial owners are Independent Third Parties.

On the basis that (i) the Share Award Scheme is an employees' share scheme established for a wide scope of participants, (ii) the maximum number of Shares underlying the Awards that can be awarded by the Board under the Share Award Scheme shall not exceed 10% of the total issued share capital of the Company from time to time, and (iii) the aggregate interests of the Directors or any connected person of the Company in the Share Award Scheme would be less than 30%, the Trustee is not an associate of a connected person under Rule 20.10(1)(b) of the GEM Listing Rules.

By reason of holding Awarded Shares on trust for the Directors, the Trustee will become a core connected person under the GEM Listing Rules. To continuously meet the minimum public float requirement under Rule 11.23(7) of the GEM Listing Rules, the Company will take appropriate measures in implementing the Share Award Scheme, including but not limited to, that the Company will not instruct the Trustee to purchase Shares from public shareholders to the effect that the total issued Shares held by the public falls below the minimum public float requirement.

LETTER FROM THE BOARD

Performance targets

The Board may at its discretion specify any condition in the Award Letter for the grant of the relevant Award which must be satisfied before the Awarded Shares may be vested. Save as determined by the Board and provided in the Award Letter for the grant of the relevant Award, there is no performance target which must be achieved before an Award can be vested under the terms of the Share Award Scheme, and save as set out in paragraphs 12 and 19 to Appendix I of this circular, there is no clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Award Participant. The Directors are of the view that the flexibility given to the Directors in relation to the performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. If performance targets are imposed upon grant of Awards, the Board will have regard to the purpose of the Share Award Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in term of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

Conditions Precedent

The Share Award Scheme is conditional upon:

- (a) the GEM Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company to the Trustee pursuant to the Share Award Scheme; and
- (b) the passing of a resolution at a general meeting of the Company to approve the adoption of the Share Award Scheme and to authorise the Directors to grant Awards under the Share Award Scheme and to allot, issue, procure the transfer of and otherwise deal in the Awarded Shares in connection with the Share Award Scheme.

LETTER FROM THE BOARD

Scheme Limit

The maximum number of Shares which may be allotted and issued in respect of all Awards to be granted under the Share Award Scheme, all Options to be granted under the New Share Option Scheme, and the options and awards to be granted under any other share scheme(s) of the Company shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders' approval (the "**Scheme Limit**").

Within the Scheme Limit, the maximum number of Shares which may be issued in respect of all Awarded Shares and Options which may be granted at any time under the Share Award Scheme and the New Share Option Scheme, respectively, together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed 20,960,156 Shares, being 1% of the issued share capital of the Company as at the Adoption Date (the "**Service Provider Sublimit**").

The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the Share Award Scheme and protecting Shareholders from the dilution effect from granting the Awards to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers and the extent of use of Service Provider(s) in the Group's business, as well as to ensure sufficient amount of awards would be available to be granted to the Employee Participants. Considering the fact that (i) the individual limit under Rule 23.03D(1) of the GEM Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of the existing Shareholders' shareholdings; (iii) the Former Share Award Scheme has been terminated and currently there is no other share schemes involving grant of awards of the Company; (iv) due to the hiring practice and organisational structures of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (v) the Service Providers have contributed to the long-term growth of the Company's business, and that the Share Award Scheme could incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the SGM.

LETTER FROM THE BOARD

Based on 2,096,015,671 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the SGM, the maximum number of Shares which may be allotted and issued in respect of all Awards and Options to be granted under the Share Award Scheme and the New Share Option Scheme, respectively, and the options and awards to be granted under any other share scheme(s) of the Company is 209,601,567 Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the proposed adoption of the Share Award Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Award Scheme at the SGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the Share Award Scheme.

A summary of the principal terms of the Share Award Scheme are set out in Appendix I to this circular. A copy of the Share Award Scheme Rules will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.8082.com.hk for a period of not less than 14 days before the date of the SGM and is also made available for inspection at the SGM.

3. TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Termination of Existing Share Option Scheme

The Existing Share Option Scheme was conditionally adopted by resolutions in writing passed by the Shareholders on 15 September 2021. Under the Existing Share Option Scheme, the Directors were authorised to grant options to the Directors, the directors of the Group's subsidiaries and employees of any member of the Group and any other persons (including consultants or advisers) as incentives or rewards in their contributions to the Group.

The maximum number of Shares that may be granted under the Existing Share Option Scheme was 125,079,800 Shares, representing approximately 10% of the then total number of issued Shares as at the date of adoption of the Existing Share Option Scheme on 15 September 2021 and the maximum number of Shares that might be issued upon the exercise of all share options under the Existing Share Option Scheme.

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As at the Latest Practicable Date, there were an aggregate of 174,773,600 share options granted under (i) the Existing Share Option Scheme; and (ii) the share option scheme of the Company which was expired on 30 August 2021, which remain outstanding or unexercised, details of which are as follows:

Name and category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise Period	Exercise price per share
<i>Category 1: Director</i>				
Mr. Chan Wai Man	13 Oct 2022	1,000,000	13 Oct 2022 – 12 Oct 2032	HK\$0.029
Mr. Chong Cho Lam	12 April 2021	11,466,000	12 April 2021 – 11 April 2024	HK\$0.232
	13 Oct 2022	20,900,000	13 Oct 2022 – 12 Oct 2032	HK\$0.029
Mr. Dong Choi Chi, Alex	13 Oct 2022	20,900,000	13 Oct 2022 – 12 Oct 2032	HK\$0.029
Mr. Siu Hi Lam, Alick	13 Oct 2022	<u>1,000,000</u>	13 Oct 2022 – 12 Oct 2032	HK\$0.029
Sub total		<u>55,266,000</u>		
<i>Category 2: Employees/consultants</i>				
Employees	12 July 2019	4,459,000	12 July 2019 – 11 July 2029	HK\$0.581
	12 April 2021	3,822,000	12 April 2021 – 11 April 2024	HK\$0.232
	13 Oct 2022	20,900,000	13 Oct 2022 – 12 Oct 2032	HK\$0.029
Consultants	12 July 2019	3,185,000	12 July 2019 – 11 July 2029	HK\$0.581
	12 April 2021	22,804,600	12 April 2021 – 11 April 2024	HK\$0.232
	12 April 2021	<u>64,337,000</u>	12 April 2022 – 11 April 2025	HK\$0.232
Sub total		<u>119,507,600</u>		
Total		<u><u>174,773,600</u></u>		

LETTER FROM THE BOARD

Proposed adoption of the New Share Option Scheme

In light of the Amended Rules, the Board proposes to seek approval by the Shareholders by way of ordinary resolution at the SGM to adopt the New Share Option Scheme and terminate the Existing Share Option Scheme. A summary of the principal terms of the Share Option Scheme Rules is set out in Appendix II hereto.

Purpose

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive or rewards to the Eligible Option Participants for the contribution or potential contribution to the Group, and to promote the success of the business of the Group. The New Share Option Scheme will give the Eligible Option Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Option Participants in optimising their performance and efficiency and attract and retain the Eligible Option Participants whose contributions are important to the long-term growth and profitability of the Group.

Upon termination of the Existing Share Option Scheme, no further options will be granted thereunder. However, 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 options granted (if any) prior to its termination or otherwise as may be required in accordance with the rules of the Existing Share Option Scheme. Save for the aforementioned 174,773,600 options, the Board confirms that it will not grant any further options under the Existing Share Option Scheme prior to the SGM.

Vesting Period

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long-term planning of granting of the share options to the eligible participants (including any employee, officer or director of any member of the Group) in a longer period in the future. Under the New Share Option Scheme, the vesting period of options shall not be less than 12 months in general. However, the Board (or the remuneration committee of the Company where it relates to grants of options to an Employee Participant who is a Director and/or senior manager of the Company) has discretion in allowing a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development;

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- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted, which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months, which provides flexibility for the Company in granting Options; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months.

The Board is 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 requirements under the GEM Listing Rules and market practice. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant Options in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

Moreover, the Board or the committee of the Board or person to which the Board has delegated its authority (as the case may be) have the authority to establish performance targets in relation to the granting of the Options. The Directors are of the view that the flexibility given to the Directors in relation to the vesting period and performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any).

Currently there is no trustee arrangement for the New Share Option Scheme.

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Eligible Option Participants

Eligible Option Participants under the New Share Option Scheme include (a) the Employee Participant(s) and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, subject to compliance with Chapter 23 of the GEM Listing Rules.

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

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Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme:

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Supplier	Service Providers under this category are mainly suppliers of services, who/ which support the Group's businesses of (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable or necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to:</p> <ol style="list-style-type: none"> (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant supplier; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant supplier; (6) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied and/or provided by such supplier.

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
<p>Independent contractor, agent, consultant and adviser</p>	<p>Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide advisory services, consultancy services and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.</p>	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

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In view of the above, the Board (including the independent non-executive Directors) is of the view that the inclusion of Service Providers as Eligible Option Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme.

Duration

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

Performance targets

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, and save as set out in paragraphs 12 to 17 to Appendix II of this circular, there is no any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Option Participant. The Directors are of the view that the flexibility given to the Directors in relation to the performance targets will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole. If performance targets are imposed upon grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in terms of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity) of the Group, corporate suitability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

Conditions Precedent

The New Share Option Scheme is conditional upon:

- (a) the GEM Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme;

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- (b) the passing of a resolution at the SGM to approve the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and to authorise the Directors to grant Options to Eligible Option Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

Scheme Limit

The maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the New Share Option Scheme, all Awards to be granted under the Share Award Scheme, and the options and awards to be granted under any other share scheme(s) shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders' approval.

Within the Scheme Limit, the maximum number of Shares which may be issued in respect of all Awarded Shares and Options which may be granted at any time under the Share Award Scheme and the New Share Option Scheme, respectively, together with the options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed the Service Provider Sublimit (i.e. 20,960,156 Shares, being 1% of the issued share capital of the Company as at the Adoption Date).

The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers and the extent of use of Service Provider(s) in the Group's business, as well as to ensure sufficient amount of awards would be available to be granted to the Employee Participants. Considering the fact that (i) the individual limit under Rule 23.03D(1) of the GEM Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of the existing Shareholders' shareholdings; (iii) the Existing Share Option Scheme will be terminated upon Shareholders' approval; (iv) due to the hiring practice and organisational structures of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (v) the Service Providers have contributed to the long-term growth of the Company's business, and that the New Share Option Scheme could incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to separate approval by the Shareholders at the SGM.

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Based on 2,096,015,671 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the SGM, the maximum number of Shares which may be allotted and issued in respect of all Awards and Options to be granted under the Share Award Scheme and the New Share Option Scheme, respectively, and the options and awards to be granted under any other share scheme(s) of the Company is 209,601,567 Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the proposed adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the SGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the holders of the Option. In any event, the exercise price must be at least the higher of: (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (c) the nominal value of the Share on the Offer Date. Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. As such, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

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As at the Latest Practicable Date, other than the Existing Share Option Scheme, the Company currently does not have any other share schemes.

4. GENERAL

No Director has a material interest and is required to abstain from voting on the resolutions approving (1) the adoption of the Share Award Scheme; and (2) the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the SGM. None of the Shareholders is required to abstain from voting on such resolutions at the SGM pursuant to the GEM Listing Rules and/or the Bye-laws.

Application will be made to the GEM Listing Committee for the approval of the listing of, and permission to deal in the Shares to be granted under the Share Award Scheme and the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the New Share Option Scheme.

As at the Latest Practicable Date, the Board intended to grant a maximum of approximately 82,000,000 Awarded Shares in the coming 12 months upon the adoption of the Share Award Scheme (the “**Proposed Awards**”) to certain consultants of the Company (including two (2) Directors) who have entered into strategic cooperation agreements (the “**Strategic Cooperation Agreements**”) with the Company on 13 July 2023, subject to the fulfilment of the respective target profit set out under the respective Strategic Cooperation Agreements. Please refer to the Company’s announcements dated 13 July 2023 and 24 August 2023, respectively, for further details on the Strategic Cooperation Agreements and the parties thereof. After the adoption of the Share Award Scheme, an announcement containing details of the terms of the grant of the Proposed Awards will be made by the Company in accordance with the applicable GEM Listing Rules, and thereafter a circular containing, among others, (i) further details of the Proposed Awards and the transactions contemplated thereunder; (ii) a notice of convening the respective special general meeting or annual general meeting of the Company (as the case may be); (iii) a letter of advice from the independent board committee of the Company (if appropriate); and (iv) a letter of advice from the independent financial adviser to the independent board committee of the Company and the independent Shareholders (if appropriate), would be despatched to the Shareholders to consider the granting of the Proposed Awards to the relevant consultants who achieved their respective target profit during the year ending 31 December 2023. Save as above, the Board had no concrete plans to grant other Awarded Shares under the Share Award Scheme or Options under the New Share Option Scheme.

The Company has sought legal advices in respect of the Share Award Scheme and the New Share Option Scheme and understands that whilst the Share Award Scheme and the New Share Option Scheme are not restricted to executives and employees of the Group, the adoption of the Share Award Scheme and the New Share Option Scheme would not constitute offer to public and prospectus requirements under Companies (Winding Up and Miscellaneous Provisions) Ordinance are not applicable.

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5. THE SGM AND PROXY ARRANGEMENT

A notice convening the SGM to be held at 15th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 2 May 2024 at 1:00 p.m. (Hong Kong time) is set out on pages SGM-1 to SGM-3 of this circular. At the SGM, ordinary resolutions will be proposed to approve, *inter alia*, (1) the proposed adoption of the Share Award Scheme; and (2) the proposed termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchanges (www.hkexnews.hk) and the Company (www.8082.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar and transfer office, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the SGM (i.e. not later than 1:00 p.m. on Tuesday, 30 April 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the SGM must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution to be passed at the SGM pursuant to the Bye-laws. An announcement on the poll results of the SGM will be made by the Company after the SGM, in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

The register of members of the Company for the SGM will be closed from Friday, 26 April 2024 to Thursday, 2 May 2024, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM or any adjournment thereof, all transfers documents by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 25 April 2024.

6. 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 relating to the Group. 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.

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7. RECOMMENDATIONS

The Directors (including the Independent non-executive Directors) are of the view that (1) the adoption of the Share Award Scheme; and (2) the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions as set out in the notice of the SGM.

8. DOCUMENTS ON DISPLAY

A copy of the Share Award Scheme Rules and the Share Option Scheme Rules will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the SGM and the Share Award Scheme Rules and the Share Option Scheme Rules will be made available for inspection at the SGM.

9. COMPETING INTEREST

Mr. Dong Choi Chi, Alex (“**Mr. Dong**”), an executive Director of the Company, is the sole owner and director of Aurora Entertainment Holdings Limited, which together with its subsidiaries, including Sun Entertainment Culture Limited, are principally engaged in investment holding, artiste and model management, entertainment, publishing and film and concert production and coordination. He is also the sole owner and director of Accela Entertainment Limited, which is principally engaged in the entertainment, publishing and music production. Mr. Dong is also one of the ultimate beneficial owners and a director of Sun Motion (Hong Kong) Limited, which together with its subsidiary are principally engaged in investment holding, entertainment and music production in Mainland China. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).

Mr. Chong Cho Lam, an executive Director of the Company, is a substantial shareholder and the managing director of Chessman Entertainment Production Company Limited, which is principally engaged in concert co-ordination and production, advertising design and market planning, original music, record production and distribution, public relations and artiste management in Macau. He is a substantial shareholder and director of Chessman Entertainment Production (HK) Limited, which is engaged in advertising production, project planning consultation, design, publishing, entertainment production and promotion. He is also a substantial shareholder and director of Chessman Management and Investment Company Limited, which is engaged in entertainment related investments and management in Macau. He is also a substantial shareholder of Good Media Production Company Limited which is engaged in film production and filming, music production, advertising production, original music, web design, publication publishing and media in Macau. He is also a substantial shareholder of Easy Music Production Company Limited which is engaged in record distribution, artiste management, music producer management, band management, musician management, concert production and

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music production in Macau. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).

Save as disclosed above, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group as at the Latest Practicable Date.

10. ADDITIONAL INFORMATION

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

Yours faithfully
For and on behalf of the Board
Sunny Side Up Culture Holdings Limited
Dong Choi Chi, Alex
Chairman and executive Director

The following is a summary of the principal terms of the Share Award Scheme to be approved and adopted by ordinary resolution at the SGM, but such summary does not form part of, nor was it intended to be, part of the Share Award Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Award Scheme:

1. PURPOSE

The purposes of the Share Award Scheme are:

- (a) to recognise the contributions by certain employees and persons to the Group;
- (b) to provide the Eligible Award Participants with additional incentives in order to retain them for the continual operation and development of the Group; and
- (c) to attract suitable personnel for further development of the Group.

2. CONDITIONS

The Share Award Scheme is conditional upon:

- (a) the GEM Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company to the Trustee pursuant to the Share Award Scheme; and
- (b) the passing of a resolution at a general meeting of the Company to approve the adoption of the Share Award Scheme and to authorise the Directors to grant Awards under the Share Award Scheme and to allot, issue, procure the transfer of and otherwise deal in the Awarded Shares in connection with the Share Award Scheme.

3. DURATION

Subject to the Share Award Scheme Rules, the Share Award Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Awarded Shares granted hereunder prior to the expiration of the Share Award Scheme, in order to give effect to the vesting of such Awarded Shares or otherwise as may be required in accordance with the provisions of the Share Award Scheme Rules.

The Board may at its discretion specify any condition in the Award Letter at the grant of the relevant Award which must be satisfied before the Awarded Shares may be vested. Save as determined by the Board and provided in the Award Letter of the grant of the relevant Award, there is no performance target which must be achieved before an Award can be vested under the terms of the Share Award Scheme, and save as set out in paragraphs 12 and 19 to this Appendix,

there is no clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Award Participant. The Awarded Shares, once issued to the Selected Award Participants upon the Vesting Date, will rank *pari passu* to all other fully paid Shares in issue.

4. ADMINISTRATION

The Share Award Scheme shall be subject to the administration of the Board in accordance with the Share Award Scheme Rules and, where applicable, the Trust Deed. A decision of the Board or the committee of the Board or person to which the Board has delegated its authority shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons affected thereby.

Subject to the Share Award Scheme Rules, the GEM Listing Rules and any applicable laws and regulations, the Board and the committee of the Board or person to which the Board has delegated its authority shall have the power, *inter alia*, from time to time to:

- (a) construe and interpret the Share Award Scheme Rules and the terms of the Awards granted under the Share Award Scheme;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Share Award Scheme, provided that they are not inconsistent with the Share Award Scheme Rules;
- (c) decide how the vesting of the Awarded Shares will be settled pursuant to the Share Award Scheme Rules;
- (d) grant Awards to those Eligible Award Participants whom it shall select from time to time;
- (e) determine the terms and conditions of the Awards;
- (f) determine the commencement or termination date of an Eligible Award Participant's employment with any member of the Group;
- (g) establish and administer performance targets in respect of the Share Award Scheme;
- (h) approve the form of an Award Letter; and
- (i) take such other steps or actions to give effect to the terms and intent of the Share Award Scheme Rules.

5. ELIGIBLE AWARD PARTICIPANTS

Under the Share Award Scheme Rules, the following classes of participants are eligible for participation in the Share Award Scheme:

- (a) Employee Participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Awards under the Share Award Scheme as inducement to enter into employment contracts with the Group); and
- (b) Service Provider(s) including person(s) who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer,

provided that the Board may, from time to time, at its absolute discretion select any Eligible Award Participant to be a Selected Award Participant.

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

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

For Service Providers, the factors in assessing whether such Service Provider is eligible to participate in the Share Award Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) track record in the quality of services provided to and/or cooperation with the Group; and (v) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(1) Supplier

Service Providers under this category are mainly suppliers of services, who/which support the Group's businesses of (i) the media and entertainment segment; and/or (ii) the cremation and funeral services segment that are desirable or necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such distributor, including but not limited to: (i) the nature, reliability and quality of the services supplied; (ii) the value of the services provided by the relevant supplier; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant supplier; (vi) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied and/or provided by such supplier.

(2) Independent contractor, agent, consultant and advisor

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the media and entertainment segment; and/or (ii) the cremation and funeral services segment that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to: (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

6. GRANT OF AWARDS

Subject to the Share Award Scheme Rules, the Share Award Scheme shall be valid and effective for the period of 10 years commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date (after which no further Awards will be granted).

The Company shall issue an Award Letter to each Selected Award Participant in such form as the Board or the committee of the Board or person to which the Board has delegated its authority may from time to time determine, specifying the Grant Date, the number of Awarded Shares underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details as they may consider necessary. Upon receipt of the Award Letter, the Selected Award Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them within 14 days after the grant date (the “**Acceptance Period**”). If any Selected Award Participant fails to return such notice to the Company before expiration of the Acceptance Period, the Award will be deemed not to have taken effect and shall automatically lapse forthwith on the day following the last day of the Acceptance Period.

Unless otherwise determined by the Board or the remuneration committee of the Company in its absolute discretion at the relevant time for each individual Award after considering factors including but not limited to the prevailing closing price of the Shares, the purpose of the Share Award Scheme and the characteristics and profile of the relevant Selected Participant, a Selected Participant is not required to bear or pay any purchase price or fee for the acceptance of the Award.

As soon as practicable after the grant of an Award to and acceptance by a Selected Award Participant, the Company shall notify the Trustee of:

- (a) the name, address, identity card/passport number and position of the relevant Selected Award Participant, and whether the Selected Award Participant is a connected person as defined in the GEM Listing Rules;
- (b) the number of Awarded Shares to which such Award relates;
- (c) the date and conditions (if any) of vesting of such Award;
- (d) the performance targets (if any) that must be achieved before any of the Awarded Shares may be vested in the Selected Award Participant under such Award;
- (e) such other terms and conditions relating to such Award which are in the opinion of the Company fair and reasonable and are not inconsistent with the Share Award Scheme Rules; and
- (f) the manner and number of the Awarded Shares to be obtained by the Trustee pursuant to the Share Award Scheme Rules.

7. VESTING OF AWARDS

Save for the circumstances prescribed below, an Award must be held by the Trustee for at least twelve (12) months before the Awarded Shares can be vested in the Grantee (the “**Vesting Period**”).

The Board (or the remuneration committee of the Company where it relates to grants of Awards to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter Vesting Period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Award(s) to new joiners to replace the share awards they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Award would have been granted;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

- (a) Subject to the GEM Listing Rules, the Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme, together with Options and Awards which may be granted under the Share Award Scheme the New Share Option Scheme and any other share schemes for the time being of the Company, to exceed such number of Shares as equals to 10% of the entire issued share capital of the Company as at the Adoption Date without Shareholders’ approval (the “**Scheme Limit**”). The Awarded Shares forfeited in accordance with the terms of the Share Award Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit (as defined below).

- (b) Subject to the foregoing paragraph, within the Scheme Limit, the maximum number of Shares which may be issued in respect of all Awarded Shares which may be granted at any time under the Share Award Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company as at the Adoption Date (the “**Service Provider Sublimit**”).
- (c) The Company may seek approval by the Shareholders in general meeting to refresh the Scheme Limit and/or the Service Provider Sublimit under the Share Award Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all Options and Awards to be granted under the Share Award Scheme the New Share Option Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Limit and/or the Service Provider Sublimit. For the purpose of seeking approval of the Shareholders, the Company must send a circular to its Shareholders containing the information required under the GEM Listing Rules. Any refreshment of the Scheme Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.
- (d) The Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Scheme Limit provided that the Awarded Shares in excess of the Scheme Limit are granted only to Eligible Award Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this sub-paragraph, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Award Participants who may be granted such Awards, the number and terms of the Awarded Shares to be granted, the purpose of granting Awards to the specified Eligible Award Participants with an explanation as to how the terms of the Awards serve such purpose, and the information as required under the GEM Listing Rules. The number and terms of the Awards to be granted to such Eligible Award Participant must be fixed before Shareholders’ approval.

- (e) Where any grant of Awards to an Eligible Award Participant would result in the Awarded Shares transferred and to be transferred or allotted and issued and to be allotted and issued in respect of all options and awards granted to such Eligible Award Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Award Participant and his/her close associates (or associates if the Eligible Award Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders, which must disclose the identity of the Eligible Award Participant, the number and terms of the Awards to be granted (and awards and options previously granted to such Eligible Award Participant in such twelve (12)-month period), the purpose of granting Awards to the Eligible Award Participant, an explanation as to how the terms of the Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms of Awards to be granted to such Eligible Award Participant must be fixed before Shareholders' approval.

9. GRANT OF AWARDS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Awards to any of the Directors, chief executive of the Company or substantial Shareholder(s) (as defined in the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award (if any)).

Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the Share Award Scheme Rules) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of awards must be approved by Shareholders in general meeting of the Company in the manner set out below.

Where any grant of Awards or options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares transferred and to be transferred or allotted and issued and to be allotted and issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards or options must be approved by the Shareholders in a general meeting of the Company in the manner set out below.

In the above 2 circumstances, the Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Awards or options must be taken on a poll and comply with the requirements under the GEM Listing Rules. The circular must contain:

- (a) details of the number and terms of the Awards or options to be granted to each Eligible Award Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) the information as may be required under the GEM Listing Rules or by the Stock Exchange from time to time.

Shareholders' approval as required above is also required for any change in the terms of Awards granted to an Eligible Award Participant who is a substantial Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective associates.

10. TIMING OF AWARDS

No Award shall be made or vested to Selected Award Participants pursuant to the Share Award Scheme Rules and no directions or recommendation shall be given to the Trustee with respect to granting or vesting of an Award or any acquisition, receipt or disposal of or dealing in Shares under the Share Award Scheme after inside information (has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the GEM Listing Rules. In particular, during the period commencing one (1) month immediately preceding the earlier of:

- (i) the date of Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for the approval of the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and

- (ii) the deadline for the Company to announce its results for any year or half-year or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, and for the avoidance of doubt, no Awards may be made during any period of delay in publishing a results announcement; and in any circumstances which are prohibited under the GEM Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

For the avoidance of doubt, in compliance with the GEM Listing Rules, a Director must not deal in any securities of the Company (and no Awards may be granted to a Director) on any day on which its financial results are published and:

- (a) during the period of 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
- (b) during the period of 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,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Rule 5.67 of the GEM Listing Rules.

11. TRANSFERABILITY AND OTHER RIGHTS TO AWARDED SHARES

Any Award granted but not yet vested shall be personal to the Selected Award Participant to whom it is made and shall not be assignable nor transferable, and no Selected Award Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Award Scheme and comply with Chapter 23 of the GEM Listing Rules. Where such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

Any actual or purported breach of the above shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Award Participant.

For the avoidance of doubt, the Awards do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on a liquidation of the Company). No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award under the Share Award Scheme, unless and until the Shares underlying the Award are actually allotted and issued or transferred (as the case may be) to the Grantee pursuant to the vesting or exercise of such Award.

Subject to the foregoing, the Shares to be allotted and issued or transferred upon the vesting or exercise of the Awards shall be subject to all the provisions of the Bye-laws for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a liquidation of the Company) as the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred pursuant to the vesting or exercise of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued, or transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued or transferred.

12. CESSATION OF EMPLOYMENT AND OTHER EVENTS; CANCELLATION OF AWARDS

- (a) If a Selected Award Participant ceases to be an Eligible Award Participant by reason of retirement of the Selected Award Participant, any outstanding Awarded Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.
- (b) If a Selected Award Participant ceases to be an Eligible Award Participant by reason of (i) his/her employer terminating the contract of employment without notice or payment in lieu of notice, or the Selected Award Participant having been convicted of any criminal offence involving his/her integrity or honesty; (ii) termination of the Selected Award Participant's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement; or (iii) termination of the Selected Award Participant's employment or contractual engagement with the Group by reason of redundancy, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.

- (c) In the event of death of a Selected Award Participant, the Board or the committee of the Board or person to which the Board has delegated its authority shall promptly notify the Trustee in writing as to whether the outstanding Awarded Shares to the deceased Selected Award Participant or any part thereof shall be deemed to have been vested immediately prior to his death. All outstanding Awarded Shares not deemed to have been so vested shall be deemed forfeited upon the death of the Selected Award Participant.
- (d) In the event of the Grantee who is a Service Provider ceases to be an Eligible Award Participant by reason of breach of contract entered into between such Eligible Award Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or if a Selected Award Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.
- (e) If a Selected Award Participant ceases to be an Eligible Award Participant for reasons other than those set out above, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board or the committee of the Board or person to which the Board has delegated its authority determines otherwise at their absolute discretion.
- (f) Subject to the Share Award Scheme Rules, any Award granted but not vested may not be cancelled or forfeited except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels and/or forfeits the Awards granted to a Selected Award Participant and makes a new grant to the same Grantee, such new grant may only be made under the Share Award Scheme with available limit approved by Shareholders pursuant to paragraph 8 above. The Awards cancelled and/or forfeited will be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Limit.

13. RIGHTS ON CHANGE IN CONTROL

If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated. If the Vesting Dates of any Awards are accelerated, the procedures as set out in the Share Award Scheme Rules shall apply except that the vesting notice will be sent to such Selected Award Participant affected by this rule as soon as practicable once the proposed Vesting Date is known. The Trustee shall act on the vesting notice in accordance with the Share Award Scheme Rules.

14. RIGHTS ON OPEN OFFER AND RIGHTS ISSUE

In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the Share Award Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall seek instruction from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

15. RIGHTS ON BONUS WARRANTS

In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants (provided that there is an open market for such rights) created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

16. RIGHTS ON SCRIP DIVIDEND

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip Shares in respect of the Shares held by the Trustee under the Share Award Scheme and such scrip Shares will be treated as related income in respect of the underlying Awarded Shares.

17. RIGHTS ON REORGANISATION OF CAPITAL STRUCTURE

In the event the Company undertakes a sub-division or consolidation of the Shares or a reduction of capital, corresponding changes will be made to the number of outstanding Awarded Shares that have been granted and, if necessary and applicable, the purchase price for the Awarded Shares, provided that the adjustments shall be made in such manner as the Board 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 Share Award Scheme for the Selected Award Participants. Any adjustment must give an Eligible Award Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled. However, no such adjustments may be made to the extent that a Share would be issued at less than its nominal value, and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. All fractional shares (if any) arising out of such adjustment in respect of the Awarded Shares of a Selected Award Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Award Participant on the relevant Vesting Date. Save for the case of capitalisation issue, the auditors or independent financial advisers of the Company for the time being must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves (including share premium account), the Shares attributable to any Awarded Shares held by the Trustee shall be deemed to be an accretion to such Awarded Shares and shall be held by the Trustee as if they were Awarded Shares purchased by the Trustee and all the provisions in relation to the original Awarded Shares shall apply to such additional Shares.

Notwithstanding the foregoing provisions, the Board may at its absolute discretion give written directions to the Trustee to deal with such distribution, dividends or other benefits and rights in respect of or in connection with the Awarded Shares.

18. ALTERATION OF THE SHARE AWARD SCHEME

Subject to the Scheme Limit, the Share Award Scheme may be altered in any respect by a resolution of the Board or administrator of the Share Award Scheme provided that:

- (a) any alterations to the terms and conditions of the Share Award Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of Eligible Award Participants must be approved by Shareholders in a general meeting;

- (b) any change to the terms of Awards granted to an Eligible Award Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Award was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Award Scheme;
- (c) any change to the authority of the Directors or the administrator of the Share Award Scheme to alter the terms of the Share Award Scheme must be approved by the Shareholders in a general meeting; and
- (d) the amended terms of the Share Award Scheme or the Awards must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

19. LAPSE OF AWARDS

Save as provided in paragraph 12 and subject to the GEM Listing Rules and determined otherwise by the Board in its sole discretion, in the event that prior to or on the Vesting Date:

- (i) the relevant Selected Award Participant ceases to be an Eligible Award Participant;
- (ii) the condition(s) or performance target(s) specified in the relevant Award Letter(s) are not attained by the relevant Grantee before the deadline as specified therein;
- (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (iv) there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise is made to all Shareholders,

whichever occurs the earliest, an Award granted shall lapse automatically forthwith, and the Awarded Shares and other distributions attributable thereto shall not vest on the relevant Vesting Date, but shall be cancelled for the purposes of the Share Award Scheme and will not be counted for the purpose of the Scheme Limit.

20. TERMINATION OF THE SHARE AWARD SCHEME

The Share Award Scheme shall terminate on the earlier of:

- (a) the end of the Award Period, except in respect of any non-vested Awarded Shares granted prior to the expiration of the Share Award Scheme, the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of such Awarded Shares granted or otherwise as may be required in accordance with the provisions of the Share Award Scheme; or
- (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Award Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Award Participant in this provision refers solely to any change in the rights in respect of the Awarded Shares already granted to a Selected Award Participant.

After the expiry or termination of the Scheme, no further Award shall be offered or granted under the Share Award Scheme.

On the Business Day following the vesting, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Share Award Scheme, the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the vesting, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this provision and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any interest in Shares whatsoever (other than its interest in the proceeds of the sale of such Shares pursuant to this provision).

21. MISCELLANEOUS

The Share Award Scheme is subject to the provisions of Chapter 23 of the GEM Listing Rules.

Any decision to be made under the Share Award Scheme, including matters of interpretation with respect to or any dispute arising in connection with the Share Award Scheme Rules, shall be made by the Board or the committee of the Board or person to which the Board has delegated its authority. The aforesaid decision shall be final and binding.

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the SGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive or rewards to the Eligible Option Participants for the contribution or potential contribution to the Group, and to promote the success of the business of the Group. The New Share Option Scheme will give the Eligible Option Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Option Participants in optimising their performance and efficiency and attract and retain the Eligible Option Participants whose contributions are important to the long-term growth and profitability of the Group.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the GEM Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

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

Eligible Option Participants for the New Share Option Scheme include:

- (a) Employee Participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group); and

- (b) Service Provider(s) including person(s) who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group: (i) where the continuity and frequency of their services are akin to those of employees of the Group; or (ii) after stepping down from an employment or director position with the Group, who provide advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in (i) the media and entertainment business segment; and/or (ii) the cremation and funeral services businesses segment that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific industry advice on the Group's business and financial or commercial strategy, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category,

provided that the Board may, from time to time, at its absolute discretion select any Eligible Option Participant to be a Selected Option Participant.

In determining the basis of eligibility of each Eligible Option Participant, the Board would like into account of (i) the experience of the Eligible Option Participant on the Group's business; (ii) the length of service of the Eligible Option Participant with the Group (if the Eligible Option Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Option Participant has established with the Group (if the Eligible Option Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Option Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Option Participant is likely to be able to give or make towards the success of the Group in the future.

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the Group. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

For Service Providers, the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) track record in the quality of services provided to and/or cooperation with the Group; and (v) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(1) Supplier

Service Providers under this category are mainly suppliers of services, who/which support the Group's businesses of (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable or necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to: (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant supplier; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant supplier; (6) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such goods or services); and (7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied and/or provided by such supplier.

(2) Independent contractor, agent, consultant and adviser

Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide advisory services, consultancy services and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the media and entertainment business; and/or (ii) the cremation and funeral services business that are desirable and necessary from a commercial perspective and help

maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractor, agent, consultant and/or adviser, including but not limited to: (1) individual performance of the relevant contractor, agent, consultant and/or adviser; (2) their knowledge, experience and network in the relevant industry; (3) the frequency of collaboration and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser; (6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such contractor, agent, consultant and/or adviser; (7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

4. GRANT AND ACCEPTANCE OF OPTIONS

The Board shall, subject to the terms of the New Share Option Scheme and the GEM Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Option Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to paragraph (7) below, determine the subscription price pursuant to paragraph (6) below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Option Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Option Participant to undertake to hold the

Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Option Participant concerned (and by no other person, including his or her Personal Representative(s)) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Option Participant concerned in respect of all Shares which are offered to such Eligible Option Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Option Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

Any Offer may be accepted by an Eligible Option Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

5. VESTING PERIOD

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board (or the remuneration committee of the Company where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or

- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES

An Option may be exercised in whole or in part by the Grantee (or, as the case may be, his Personal Representative(s)) 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. Each of such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in paragraph 23 to this Appendix or under the relevant laws or the memorandum of association and the Bye-laws in effect from time to time.

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share on the Offer Date.

Where a relevant Option is to be granted under paragraph (8) or (9), for the purposes of the sub-paragraph (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

- (a) Subject to the GEM Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, all Awards which may be granted at any time under the Share Award Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company as at the Adoption Date, unless Shareholders' approval has been obtained pursuant to sub-paragraphs (c) and (d) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.
- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, all Awards which may be granted at any time under the Share Award Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1 % of the issued share capital of the Company as at the Adoption Date (i.e. the Service Provider Sublimit).
- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the GEM Listing Rules. Any refreshment of the Scheme Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.
- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Limit provided that the Options in excess of the Scheme Limit are granted only to Eligible Option Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Option Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible

Option Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the GEM Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Eligible Option Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options or awards are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the GEM Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options or awards must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options or awards must be taken on a poll and comply with the requirements under the GEM Listing Rules.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options or awards to be granted to each Eligible Option Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Option Participant who is a substantial Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective associates.

9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE OPTION PARTICIPANT

Where any grant of Options to an Eligible Option Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Option Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Option Participant and his/her close associates (or associates if the Eligible Option Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Option Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Option Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Option Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Eligible Option Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme, and save as set out in paragraphs 12 to 17, there is no any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Option Participant.

11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of Options may not be made:

- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the GEM Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the Company to publish its results for any year or half-year or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

For the avoidance of doubt, in compliance with the GEM Listing Rules, a Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (i) during the period of 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
- (ii) during the period of 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,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Rule 5.67 of the GEM Listing Rules.

12. RIGHTS ARE PERSONAL TO GRANTEES

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

If the Grantee of an Option is an employee or a director of the Group and ceases to be an Eligible Option Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

14. RIGHTS ON DEATH

If the Grantee of an Option ceases to be an Eligible Option Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph (13) above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of twelve (12) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs (18) to (20) respectively.

15. RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Option Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of three (3) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on

which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (18) to (20) respectively.

16. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Option Participant for any reason other than the reasons set out in paragraphs (13) to (15) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment with the Group.

17. RIGHTS ON BREACH OF CONTRACT

If the Grantee of an Option who is a Service Provider ceases to be an Eligible Option Participant by reason of breach of contract entered into between such Eligible Option Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

Note: Paragraphs 13, 15 and 16 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

18. RIGHTS ON A GENERAL OFFER

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

19. RIGHTS ON WINDING UP

In the event a notice is given by the Company to its Shareholders to convene a special general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and any Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”), accompanied by a remittance of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, 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 terminated.

21. CANCELLATION OF OPTIONS

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the

New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph (7). The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.

22. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares subject to the New Share Option Scheme or any Option so far as such Option remains unexercised; and/or (ii) the subscription price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable (other than in the case of capitalisation issue), provided that any such adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he or she would have been entitled to had he or she exercised all the Options held by him or her immediately prior to such event and the aggregate subscription price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that 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 and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

24. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board or administrator of the New Share Option Scheme without the approval of Shareholders in general meeting.

- (a) The provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Eligible Option Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

26. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (a) the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at the SGM approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

27. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph (12);
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (13) to (20); and
- (d) the date of the commencement of the winding-up of the Company.

28. TERMINATION

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

29. MISCELLANEOUS

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 23 of the GEM Listing Rules. The Company will comply with the relevant statutory requirements and the GEM Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company. Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (22) above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

NOTICE OF SGM



S U N N Y S I D E U P

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SUNNY SIDE UP CULTURE HOLDINGS LIMITED

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

(Stock Code: 8082)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Sunny Side Up Culture Holdings Limited (the “Company”) will be held at 15th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 2 May 2024 at 1:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (a) “Subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal, such number of shares of the Company (the “**Shares**”) which may fall to be allotted and issued pursuant to the grant of any awards under the share award scheme (the “**Share Award Scheme**”) proposed to be adopted by the Company, the principal terms of which are set out in the printed document marked “A” now produced to the meeting and for the purpose of identification signed by the Chairman hereof, the rules of the Share Award Scheme be and are hereby approved and adopted to be the share award scheme of the Company; and that the directors of the Company (“**Director(s)**”) be and are hereby authorised to grant awards thereunder and to allot and issue shares pursuant to the Share Award Scheme and take all such steps as may be necessary or desirable to implement the Share Award Scheme.”
- (b) “Subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal, such number of Shares which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the principal terms of which are set out in the printed documents marked “B” now produced to the meeting and for the purpose of identification signed by the Chairman hereof, the rules of the New Share Option Scheme be and are hereby approved and adopted to be the New Share Option Scheme; and that the Directors be and are hereby authorised to grant options to allot, issue and deal in the Shares as maybe required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as may be necessary or desirable to implement the New Share Option Scheme.”

NOTICE OF SGM

- (c) “Subject to conditional upon the passing of resolution (b) above and the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 15 September 2021 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date hereof (if any)).”
- (d) “Subject to and conditional upon the passing of resolutions (a) and (b) above and the Share Award Scheme and the New Share Option Scheme taking effect, the total number of Shares which may be awarded by the Company for the purpose of the Share Award Scheme and the New Share Option Scheme pursuant to the resolutions numbered (a) and (b) above, together with any issue of Shares upon exercise of all Awards and Options to be granted under the Share Award Scheme and the New Share Option Scheme and any other schemes of the Company (collectively, the “**Share Schemes**”), shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution, and the approval in resolutions (a) and (b) above shall be limited accordingly.”
- (e) “Subject to and conditional upon the passing of resolutions (a) and (b) above and the Share Award Scheme and the New Share Option Scheme taking effect, the total number of Shares which may be awarded to all Service Providers pursuant to all Share Schemes shall not exceed 1% of the total number of issued Shares as at the date of the passing of this resolution, and the approval in resolutions (a) and (b) above shall be limited accordingly.”

By order of the Board
Sunny Side Up Culture Holdings Limited
Dong Choi Chi, Alex
Chairman and executive Director

Hong Kong, 16 April 2024

As at the date of this announcement, the executive Directors are Mr. Dong Choi Chi, Alex (the chairman) and Mr. Chong Cho Lam (chief executive officer), and independent non-executive Directors are Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Dr. Ip Wai Hung. This announcement will remain on the “Latest Listed Company Information” page of the of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the day of its publication and on the website of the Company at www.8082.com.hk.

NOTICE OF SGM

Notes:

1. All the resolutions set out in this Notice shall be decided by poll.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/ her/it.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 1:00 p.m. on Tuesday, 30 April 2024 (Hong Kong time) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of an appointment of corporate representative by a corporate shareholder (other than a shareholder which is a Clearing House (as defined in the Company's bye-laws) (or its nominee(s))), a copy of the resolution of its directors or other governing body of the shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the shareholder's constitutive documents and a list of directors or members of the governing body of the shareholder as at the date of such resolution, or, as the case may be, power of attorney, in each case certified by a director, secretary or a member of the governing body of that shareholder and notarised, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 1:00 p.m. on Tuesday, 30 April 2024) or the adjourned meeting (as the case may be).
5. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Friday, 26 April 2024 to Thursday, 2 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 25 April 2024.
6. References to time and dates in this notice are to Hong Kong time and dates.