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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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 Phoenitron 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**PHOENITRON**

**PHOENITRON HOLDINGS LIMITED**

**品創控股有限公司**

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

**(Stock Code: 8066)**

**(1) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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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 EGM to be held at 10:00 a.m. on Thursday, 10 April 2025 (Hong Kong time) at Pacific Room IV, 9/F, Towers Wing, Royal Pacific Hotel, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for the EGM is also enclosed. Whether or not you are able to attend the EGM, 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 EGM 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](http://www.hkexnews.hk) for at least 7 days from the date of its posting.*

21 March 2025

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## CHARACTERISTICS OF GEM

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

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

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## DEFINITIONS

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

“2008 Share Option Scheme”	the share option scheme adopted by the Company on 8 January 2008, which has expired on 7 January 2018
“Adoption Date”	being the date on which the Share Option Scheme is conditionally adopted by an ordinary resolution to be passed by the Shareholders at the EGM
“Articles of Association”	the second amended and restated articles of association of the Company currently in force, and each an “Article”
“associate(s)”	has the meaning as defined in the GEM Listing Rules
“Board”	the board of the Directors for the time being or a duly authorised committee thereof
“Business Day”	any day on which the Stock Exchange is open for the trading of securities listed thereon
“close associate”	has the meaning as defined in the GEM Listing Rules
“Company”	Phoenitron Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning as defined in the GEM Listing Rules
“core connected person(s)”	has the meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary 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 Option Scheme and the proposed amendments to the Articles of Association

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## DEFINITIONS

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“Eligible Participant(s)”	including (a) the Employee Participant(s); (b) the Related Entity Participant(s); and (c) 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
“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 under the Share Option Scheme as inducement to enter into employment contracts with the Group)
“GEM”	GEM operated by 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
“Grantee”	any Eligible Participant who accepts Offer in accordance with the terms of the Share Option Scheme or his/her Personal Representative(s)
“Group”	the Company and all of its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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)
“Latest Practicable Date”	17 March 2025, being the latest practicable date for ascertaining certain information contained in this circular
“Memorandum and Articles”	the Memorandum of Association and Articles of Association

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## DEFINITIONS

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“Memorandum of Association”	the memorandum of association of the Company
“Offer”	an offer for the grant of an Option made in accordance with the terms of the Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for Share(s) under the 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 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 exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	directors and employees (whether full time or part time) of the Related Entity
“Scheme Mandate Limit”	the total number of Shares in respect of which Shares may be allotted and issued under the Share Option Scheme and any other share schemes of the Company involving issue of new Shares (if any)

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## DEFINITIONS

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“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, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers 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
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM
“Share Option Scheme Rules”	the rules set out therein relating to the Share Option Scheme as amended from time to time, a summary of the principal rules is set out in Appendix I to this circular
“Shareholder(s)”	holder(s) of the issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date

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## DEFINITIONS

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“Treasury Shares”

Shares repurchased and held by the Company in treasury (if any), as authorised by the laws of the Cayman Islands and the Articles which, for the purpose of the GEM Listing Rules, includes Shares repurchased by the Company and held or deposited in the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited for sale on the Stock Exchange

“%”

per cent.



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## LETTER FROM THE BOARD

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**PHOENITRON**

**PHOENITRON HOLDINGS LIMITED**

**品創控股有限公司**

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

**(Stock Code: 8066)**

*Executive Directors:*

Ms. Lily Wu (*Chairman and Chief Executive Officer*)

Mr. Guo Rongxiang

Mr. Chang Wei Wen

Mr. Yang Meng Hsiu

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent non-executive Directors:*

Mr. Chan Siu Wing, Raymond

Ms. Wong Ka Wai, Jeanne

Mr. Yeung Man Chit, Daniel

*Head Office and*

*Principal Place of Business:*

Suite 710, 7th Floor

North Tower

World Finance Centre

Harbour City

Tsimshatsui, Kowloon

Hong Kong

21 March 2025

*To the Shareholders, and for information only,  
to the holders of the securities issued by the Company*

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **1. INTRODUCTION**

The Company proposes to adopt the Share Option Scheme and amend the Articles of Association subject to, among others, the approval by the Shareholders at the EGM.

The purpose of this circular is to provide you with details regarding the proposed adoption of the Share Option Scheme and the proposed amendments to the Articles of Association in accordance with the GEM Listing Rules. A notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular.

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## LETTER FROM THE BOARD

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### 2. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

#### 2008 Share Option Scheme

The 2008 Share Option Scheme was adopted by the Company at its extraordinary general meeting held on 8 January 2008 which has expired on 7 January 2018 and no further options can be granted thereunder. As at the Latest Practicable Date, there were outstanding options of 37,179,250 under the 2008 Share Option Scheme, details are set out below:

Name or category of grantee	Date of grant	Number of outstanding or unexercised share options as at the Latest Practicable Date	Exercisable period	Exercise price per Share (HK\$)
<b>Directors</b>				
Ms. Lily Wu	3 January 2018	4,500,000	3 January 2018 to 2 January 2028	0.20
Mr. Chang Wei Wen	3 January 2018	4,500,000	3 January 2018 to 2 January 2028	0.20
Mr. Yang Meng Hsiu	3 January 2018	4,500,000	3 January 2018 to 2 January 2028	0.20
Mr. Chan Siu Wing, Raymond	3 January 2018	450,000	3 January 2018 to 2 January 2028	0.20
Ms. Wong Ka Wai, Jeanne	3 January 2018	450,000	3 January 2018 to 2 January 2028	0.20
<b>Employees</b>	3 January 2018	22,779,250	3 January 2018 to 2 January 2028	0.20
<b>Total</b>		<u>37,179,250</u>		

The Company has no existing share schemes under Chapter 23 of the GEM Listing Rules as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **Proposed Adoption of the Share Option Scheme**

In view of the expiration of the 2008 Share Option Scheme and in order to provide appropriate equity incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group, the Board proposes to seek approval by the Shareholders by way of ordinary resolution at the EGM to adopt the Share Option Scheme. The absence of a share option scheme has limited its ability to incentivize and attaining talents, which is crucial for driving performance and align common interests with those of Shareholders. By adoption of the Share Option Scheme, the Company aims to promote long-term commitment and fostering a culture of ownership, ultimately benefiting the Company and the Shareholders as a whole. The Share Option Scheme will be valid for ten (10) years commencing from the Adoption Date. The provisions of the Share Option Scheme shall constitute a share scheme and shall comply with the requirements of Chapter 23 of the GEM Listing Rules. A summary of the principal terms of the Share Option Scheme Rules is set out in the Appendix hereto.

### **Purpose**

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

The Company may issue new Shares and/or utilise Treasury Shares (if any) to satisfy grants of the Options under the Share Option Scheme to the extent permitted by the GEM Listing Rules, all applicable laws and regulations and the Articles. As at the Latest Practicable Date, the Company did not have any Treasury Shares, hence, no Treasury Shares are available for granting the Share Option Scheme.

### **Eligibility of Eligible Participants**

Eligible Participants under the Share Option Scheme include (a) the Employee Participant(s), (b) the Related Entity Participant(s) and (c) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category.

The rules of the Share Option Scheme enable the Company to grant share option(s) to Eligible Participants including Employee Participants, Service Providers and Related Entity Participants. The Directors consider that it is beneficial to include Service Providers and Related Entity Participants and aligns with the purpose of fostering collaboration essential to the Group's growth. As disclosed in the announcement of the Company dated 10 January 2025,

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## LETTER FROM THE BOARD

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the Group's core business is contract manufacturing and smart card sales and is developing a digital platform business. The Share Option Scheme is structured to align incentives across both the Group's established operations and its emerging digital initiatives. By granting Options to the Service Providers and Related Entity Participants, the Company fosters collaboration critical to enhancing efficiency in contract manufacturing and smart card sales leveraging expertise from manufacturing technology specialists and supply chain optimizers, while simultaneously securing high value capabilities in technology integration, cybersecurity, and AI-driven data analytics from technology partner to accelerate the digital platform's development. This dual focus ensures contributors to core revenue streams and future growth drivers are equally incentivized to prioritize the Group's long-term success. This ensures equity grants acknowledge incentivize niche expertise critical to both business lines, which may be difficult to secure by monetary compensation alone. Share options further serves as a cost-effective substitute for cash compensation, reducing immediate expenses while retaining flexibility to recognize the contributions of non-employees.

### **Eligibility of Employee Participants**

With respect to Employee Participants, the Board will consider, amongst others, (i) the general working experience; (ii) time commitment (full-time or part time); (iii) the length of service of the Eligible Participant within the Group; (iv) roles and responsibilities; (v) employment conditions according to the prevailing market practice and industry standard; or where appropriate; and (vi) 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.

### **Eligibility of Related Entity Participants**

While advancing its digital platform business and strengthening core contract manufacturing and smart card business, the Group may engage Related Entity Participants for various purposes such as leveraging their technical expertise, sharing of knowledge and insights, market networks, and operational capabilities to support the Group's strategic initiatives across all business lines. Although Related Entity Participants are not directly employed by members of the Group, they are nonetheless valuable due to their existing or potential collaborative relationships with the Group. This is especially pertinent as the Company progresses in optimising core business operations and developing its digital platform business, where external expertise in up-to-date technologies can play a supportive role. By sharing knowledge and insights, Related Entity Participants may assist the Group in refining its e-commerce app service platform and enhancing operational agility in manufacturing. Specifically, for those related entities in which the Group holds significant interests, their growth and development can enhance the Group's financial performance, creating synergies across established and emerging business lines. Consequently, the Company acknowledges the importance of their past and future contributions and believes that including Related Entity Participants as Eligible Participants will provide the flexibility to offer equity incentives. This approach aims to reward and collaborate with these individuals, who may possess exceptional expertise or be able to deliver valuable services to the Group.

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## LETTER FROM THE BOARD

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With respect to Related Entity Participants, the Board will consider, among others, (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (ii) the period of engagement or employment of the Related Entity Participant by the Group; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (v) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

The Company did not grant any options to Related Entity Participant under the 2008 Share Option Scheme. As at the Latest Practicable Date, the Company had no specific plans or immediate intention to grant Options to Related Entity Participants under the Share Option Scheme.

### **Eligibility of Service Providers**

With respect to Service Providers, the factors in assessing whether such Service Provider is eligible to participate in the 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.

The Company did not grant any options to Service Providers under the 2008 Share Option Scheme. As at the Latest Practicable Date, the Company had no specific plans or immediate intention to grant Options to Service Providers under the Share Option Scheme. While no immediate grants are planned, the Company intends to assess granting of the Options from time to time, contingent upon milestones in the business developments when entering into significant contracts etc., which the potential recipients may be identified as critical to these initiatives.

### **Basis for determining the eligibility of Service Providers**

The Group may require new types of professional services to be provided by the Service Providers for contributions to all facets of the Group's operations to cope with its demand for new initiatives, projects and focuses, including its core contract manufacturing and smart card business, and to support its expansion plan(s) from time to time, in particular, the development of the digital platform business. In such case, the Board will determine whether the Service Providers providing such professional services are eligible to participate in the Share Option Scheme based on whether such professional services provided are in line with the Company's business need, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group in both existing and emerging business lines.

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## LETTER FROM THE BOARD

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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 Share Option Scheme:

<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the Share Option Scheme</b>
Supplier	Service Providers under this category are mainly suppliers of services, who/which support the Group's businesses of (i) contract manufacturing and sales of smart cards; (ii) digital platform; and (iii) other principal business(es) according to the annual report or interim report of the Company that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group from time to time.	<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"><li data-bbox="949 729 1375 825">(1) the nature, reliability and quality of the services supplied;</li><li data-bbox="949 874 1375 970">(2) the value of the services provided by the relevant supplier;</li><li data-bbox="949 1019 1375 1151">(3) the frequency of collaboration and length of business relationship with the Group;</li><li data-bbox="949 1200 1375 1508">(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);</li><li data-bbox="949 1557 1375 1666">(5) the background, reputation and track record of the relevant supplier;</li></ol>

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## LETTER FROM THE BOARD

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the Share Option Scheme</b>
		<p>(6) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and</p> <p>(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.</p>

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## LETTER FROM THE BOARD

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the Share Option Scheme</b>
Contractor, agent, consultant and adviser	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) contract manufacturing and sales of smart cards; (ii) digital platform and (iii) other principal business(es) according to the annual report or interim report of the Company 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>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"><li data-bbox="951 646 1370 795">(1) individual performance of the relevant contractor, agent, consultant and/or adviser;</li><li data-bbox="951 851 1370 957">(2) their knowledge, experience and network in the relevant industry;</li><li data-bbox="951 1012 1370 1161">(3) the frequency of collaboration and length of business relationship with the Group;</li><li data-bbox="951 1217 1370 1523">(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);</li><li data-bbox="951 1578 1370 1719">(5) the background, reputation and track record of the relevant contractor, agent, consultant and/or adviser;</li></ol>



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## LETTER FROM THE BOARD

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the Share Option Scheme
		<p>(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;</p> <p>(7) the replacement cost of such contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and</p> <p>(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.</p>

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

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## LETTER FROM THE BOARD

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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 Participants is fair and reasonable and aligns with the purpose of the Share Option Scheme.

The independent non-executive Directors consider the Share Option Scheme aligns with market practices observed among listed companies in the technology and manufacturing sectors, in using share options to reward service providers (e.g., suppliers, tech consultants) when cash reserves are prioritized for capital investments or research and development. Options are favored over cash during expansion phase or development phase when securing niche expertise exceeds short-term budgets. This approach preserves liquidity while aligning the interests of collaborators with long-term shareholder value when the Share Options granted are exercised. Apart from the contributions from the employees of the Group, the success of the Group also requires co-operation and contribution from the supplier and 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. As such, the independent non-executive Directors consider that it is in line with market practices and industry norms to include supplier, independent contractor, agent, consultant and advisers as Service Providers, and the terms of the grants (such as vesting requirements and performance targets, if any). They consider the inclusion of Related Entity Participants and Service Providers in the Share Option Scheme to be consistent with its purposes, as it allows the Group to use Options as a substitute for cash compensation to reduce current compensation expenses associated with paying in cash and provide the Company a flexible means to reward non-employees and recognizes the contributions of non-employees.

On top of the above, the independent non-executive Directors are of the view that the Group may from time to time require assistance and support from Service Providers and Related Entity Participants in projects or other business engagements relating to or having connections with the Group's businesses. The grant of Options shares the risks linked to our growing business, and serves as an incentive, not an entitlement, to motivate the Service Providers to contribute to the stock value gains. For the aforesaid, the criteria for selection of Related Entity Participants and Service Providers as set out above and in paragraph 3 of the Appendix I to this circular and the discretion afforded to the Board to impose different terms and conditions (including performance targets and vesting conditions) on options granted to such selected Eligible Participants, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the Share Option Scheme to be achieved.

### **Vesting Period**

The Directors consider that the 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 Share Option Scheme, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised. However, the Board (or the remuneration committee of the

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## LETTER FROM THE BOARD

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Company where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) have 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;
- (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 may be subject to any changes made to the applicable laws, regulations and rules in jurisdictions in which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participants, 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. In the event of any administrative or compliance requirements which give rise to a shorter vesting period of the Options granted to any Employee Participants, the Company will make further announcement as and when appropriate;
- (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 where the Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date, 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 Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria on a case-by-case basis.

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## LETTER FROM THE BOARD

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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 a more competitive remuneration package to attract or further incentivize selected participants; (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; and (iv) motivate exceptional performers based on performance metrics rather than time including but not limited to attainment of certain performance targets.

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 Share Option Scheme or has a direct or indirect interest in such trustee (if any).

### **Duration**

Subject to any early termination as may be determined by the Board pursuant to the Share Option Scheme Rules, the Share Option Scheme shall be valid and effective until the close of business of the Company on the date which falls ten (10) years after the Adoption Date.

### **Subscription Price**

The Subscription Price shall be determined by the Board at its absolute discretion, provided that it shall be not 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.

### **Performance Targets and Clawback Mechanism**

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 provided in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which

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## LETTER FROM THE BOARD

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must be achieved before an Option can be exercised under the terms of the Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible 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 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.

Where Options were granted to the Directors of the Company without performance targets and/or clawback mechanism, the Company will comply with the requirements under Rule 23.06B(8) of the GEM Listing Rules that the relevant announcement will include the views of the remuneration committee of the Company on why performance targets and/or a clawback mechanism is/are not necessary and how the grants would align with the purpose of the Share Option Scheme.

While Related Entity Participants are not directly employed by the Group, their existing and potential collaborative relationships are highly valuable. The Group's significant interests in these entities mean that their growth and development can positively influence the Group's financial performance. As such, the Company recognizes the significance of both past and future contributions from these participants.

The independent non-executive Directors support including Related Entity Participants as Eligible Participants in the Share Option Scheme, as this arrangement allows for flexibility in offering equity incentives. This approach not only rewards their contributions but also fosters collaboration with individuals who possess specialised expertise or can provide valuable services. The Company will assess the contributions of these participants based on their impact on the Group's strategic objectives and overall performance, ensuring alignment with the Share Option Scheme's purpose of incentivising and rewarding valuable contributions.

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## LETTER FROM THE BOARD

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### Conditions Precedent

The Share Option Scheme is conditional upon:

- (a) the GEM Listing Committee 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 Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme.

### Scheme Mandate Limit and Service Provider Sublimit

Subject to the GEM Listing Rules, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under the Share Option 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 (excluding Treasury Shares) as at the Adoption Date.

As at the Latest Practicable Date, the number of issued Shares was 525,347,500 and the Company has no Treasury Shares. Assuming that there is no change in the issued share capital of the Company before the EGM and the Company will not have any Treasury Shares between the Latest Practicable Date and the Adoption Date, the Scheme Mandate Limit will be 52,534,750 Shares, representing 10% of the issued share capital of the Company (excluding Treasury Shares) as at the Adoption Date.

The Service Provider Sublimit of 5% (26,267,375 Shares) addresses specialized needs across all operations, while additional grants to Related Entity Participants (up to 5% within the 10% Scheme Mandate Limit, i.e., an additional 26,267,375 Shares) are justified by the unique demands of the Group driven by the business needs outlined in the sub-section headed “Eligibility of Eligible Participants” above. This business requires niche expertise, such as cybersecurity, and AI-driven data analytics, which may exceed the feasibility of typical cash compensation. Allocating up to 10% ensures the Group secures critical talent for both the digital platform and core operations like manufacturing, balancing dilution (maximum to 10%) with strategic growth potential as outlined in section headed “Eligibility of Eligible Participants” above.

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## LETTER FROM THE BOARD

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Within the Scheme Mandate Limit, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under the Share Option Scheme, 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 such number of Shares as equals to 5% of the issued share capital of the Company (excluding Treasury Shares) as at the Adoption Date (the “**Service Provider Sublimit**”).

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers; (iii) the expected contribution to the development and growth of the Company attributable to the Service Providers and (iv) the extent of use of Service Provider(s) in the Group’s business. In line with the Group’s strategic goals, the Group has intensified efforts to implement cost-cutting and streamlining measures to enhance productivity and operational efficiency. Engaging Service Providers for specialised tasks is often more cost-effective than maintaining in-house teams for functions that are not continuously required. This approach allows the Group to scale resources up or down based on future business demands, ensuring operational agility and responsiveness to market conditions. The Group retains the flexibility to grant Options from the Service Provider Sublimit based on future business growth and demand, rather than being obligated to grant Options totaling 5% of the total number of issued Shares (excluding Treasury Shares) as of the Adoption Date to the Service Providers. Given that the Share Option Scheme will be effective for a period of ten years from the Adoption Date, the Group is of the view that the annual allocation of Options granted to Service Providers will not result in excessive dilution of existing Shareholders’ shareholding. Considering that (i) the sublimit of 5% would not lead to excessive dilution of the existing Shareholders’ shareholdings; (ii) there is no other share schemes of the Company involving a grant of options over new Shares to Service Providers; (iii) 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 (iv) the Service Providers have contributed and will continue to contribute to the long-term growth of the Company’s business, and that the Share Option Scheme could incentivise Service Providers to continue to support and/or cooperate with the Company 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 EGM.

The Service Provider Sublimit in respect of all Options to be granted to Service Providers under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company, will be 26,267,375 Shares, representing 5% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date.



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## LETTER FROM THE BOARD

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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 Option Scheme.

### 3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association were adopted on 11 May 2022 and amended on 19 June 2024. The Board proposes to amend the Articles of Association in order to, among other things, (i) reflect and align with the latest regulatory requirement allowing the Company to hold Treasury Shares; (ii) provide shareholders with an option to send communications (including proxy instruments) to the Company electronically; (iii) align with other relevant requirements of the GEM Listing Rules; and (iv) making consequential and housekeeping amendments (collectively, the “**Proposed Amendments**”).

Details of the Proposed Amendments are set out in Appendix II to this circular. The Chinese translation of the Proposed Amendments set out in the Chinese version of this circular is for reference only. In case there is any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail. A special resolution will be proposed at the EGM to approve and adopt the Proposed Amendments.

Save for the Proposed Amendments, no other amendments are to be made to the Articles of Association.

The legal advisers of the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the applicable requirements of the GEM Listing Rules, and the legal advisers of the Company as to Cayman Islands laws have confirmed that the Proposed Amendments do not violate the applicable laws of Cayman Islands. The Company also confirms that there is nothing unusual about the Proposed Amendments.

### 4. GENERAL

No Director has a material interest and is required to abstain from voting on the resolution approving the adoption of the Share Option Scheme at the EGM. 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 adoption of the Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Option Scheme at the EGM.

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

As at the Latest Practicable Date, the Board has no present intention to grant any Options to any Eligible Participants under the Share Option Scheme immediately after its adoption.



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## LETTER FROM THE BOARD

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

### **5. THE EGM AND PROXY ARRANGEMENT**

A notice convening the EGM to be held at 10:00 a.m. on Thursday, 10 April 2025 (Hong Kong time) at Pacific Room IV, 9/F, Towers Wing, Royal Pacific Hotel, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. At the EGM, resolutions will be proposed to approve, inter alia, (i) the proposed adoption of the Share Option Scheme; and (ii) the Proposed Amendments.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchanges ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.phoenitron.com](http://www.phoenitron.com)). 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, Trigor 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 holding the EGM (i.e. not later than 10:00 a.m., on Tuesday, 8 April 2025 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

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

### **6. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlement and voting at the EGM, the register of members of the Company for the EGM will be closed from Monday, 7 April 2025 to Thursday, 10 April 2025, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM 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, Trigor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 3 April 2025.

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## LETTER FROM THE BOARD

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### 7. 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.

### 8. RECOMMENDATIONS

The Directors are of the view that the adoption of the Share Option Scheme and the proposed amendments to the Articles of Association 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 EGM.

### 9. DOCUMENT ON DISPLAY

A copy of 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 EGM and a copy of the Share Option Scheme Rules will be made available for inspection at the EGM.

### 10. COMPETING INTEREST

As at the Latest Practicable Date, 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.

### 11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Summary of principal terms of the Share Option Scheme) and Appendix II (Proposed Amendments to the Articles of Association) to this circular.

Yours faithfully  
For and on behalf of the Board  
**Phoenitron Holdings Limited**  
**Chang Wei Wen**  
*Executive Director*

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

**1. PURPOSE**

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

**2. ADMINISTRATION OF THE SHARE OPTION SCHEME**

The Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the 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 Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the Share Option Scheme; (ii) determine the persons who will be offered Options under the Share Option Scheme, and the number of Shares and the Subscription Price, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the 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 Share Option Scheme.

The Company may issue new Shares and/or utilise Treasury Shares (if any) to satisfy grants of the Options under the Share Option Scheme to the extent permitted by the GEM Listing Rules, all applicable laws and regulations and the Articles.

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

Eligible Participants for the 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 Share Option Scheme as inducement to enter into employment contracts with the Group);
- (b) Related Entity Participant(s) including directors and employees (whether full time or part time) of the holding companies, fellow subsidiaries or associated companies of the Company; and
- (c) 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, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional service 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.

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

For Related Entity Participants, the Board will consider, among others: (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (ii) the period of engagement or employment of the Related Entity Participant by the Group; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further

business relationships; and (v) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

For Employee Participants, the Board will consider, amongst others, their (i) general working experience; (ii) time commitment (full-time or part-time); (iii) length of their service within the Group; (iv) roles and responsibilities; (v) employment conditions according to the prevailing market practice and industry standard; or where appropriate; and (vi) 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 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) contract manufacturing and sales of smart cards; and (ii) other principal business(es) according to the annual report or interim report of the Company that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group from time to time.

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: (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) Contractor, agent, consultant and adviser**

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) contract manufacturing and sales of smart cards; and (ii) other principal business(es) according to the annual report or interim report of the Company 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.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

**4. GRANT AND ACCEPTANCE OF OPTIONS**

The Board shall, subject to the terms of the 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 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 at 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 an Eligible Participant 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 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 Share Option Scheme and shall remain open for acceptance by the Eligible 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 Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible 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 Participant for any amount of Shares which is 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**

With all necessary consents and approvals (if any) obtained by the Grantee, an Option shall be exercisable in whole or in part by the Grantee (or, as the case may be, his or her 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 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 estate in the event of an exercise by 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 the Share Option Scheme or under the relevant laws or the Memorandum and Articles in effect from time to time.

The Subscription Price for Shares to be subscribed under the Share Option Scheme shall be determined by the Board at its absolute discretion (subject to any adjustments made), 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 SUBSCRIPTION**

- (a) Subject to the GEM Listing Rules, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under the Share Option 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 (excluding Treasury Shares) 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 Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under the Share Option Scheme, 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 such number of Shares as equals to 5% of the issued share capital of the Company (excluding Treasury Shares) 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 Mandate Limit and/or the Service Provider Sublimit under the 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 (excluding Treasury Shares) 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 Mandate 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 Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible 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 Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and 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 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 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 or whose associate is the proposed Grantee of an Option (if any)).

Where any grant of Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued (including any Treasury Shares which may be transferred, as applicable) 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 such grant representing in aggregate over 0.1% of the total issued Shares (excluding Treasury Shares), such further grant of Options must be approved by the 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 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 to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate 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 (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 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 PARTICIPANT**

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all options and awards granted to such Eligible 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 (excluding Treasury Shares), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in such twelve (12)-month period), the purpose of granting Options to the Eligible 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 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 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 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 provided 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 Share Option Scheme.

The Board may determine clawback mechanism on a case by case basis to recover or withhold such Option granted to the relevant Grantee, whether in the event of (i) an Option is sold, transferred, charged, mortgaged, encumbered or any interest is created or an agreement to create any interest in favour of any third party is entered into; (ii) a Grantee ceases to be an Employee Participant by reasons set out in paragraph 13 below; (iii) a Grantee ceases to be an Employee Participant by reason of his or her death as set out in paragraph 14 below; (iv) a Grantee ceases to be an Employee Participant by reason of ill-health or retirement as set out in paragraph 15 below; (v) a Grantee ceases to be an Employee Participant for any reason other than as set out in paragraphs 13 to 15 below; and (vi) the Grantee ceases to be a Service Provider due to a breach of contract under the reasons set out in paragraph 17 below.

**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, half-year or quarter-year period under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the 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 Participant by reason of 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 and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the subscription price for the Shares in respect of the purported exercise of such Option shall be returned.

For the avoidance of doubt, transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered cessation of employment if a Grantee who is an Employee Participant is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

**14. RIGHTS ON DEATH**

If the Grantee of an Option ceases to be an Eligible 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 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, RETIREMENT OR VOLUNTARY RESIGNMENT**

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement or voluntary resignation as an employee or a director 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 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 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 Participant by reason of breach of contract entered into between such Eligible 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 Participant. 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 is 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 (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company 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 an extraordinary 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/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 extraordinary 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 extraordinary 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 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 Mandate 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 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 and issued or Treasury Shares (if any) to be transferred upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue (excluding Treasury Shares) 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 SHARE OPTION SCHEME**

The Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business of the Company 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 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 SHARE OPTION SCHEME**

Save for the provisions prescribed below, the Share Option Scheme may be altered in any respect by a resolution of the Board or administrator of the 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 Participants without the prior approval of Shareholders in a general meeting.
- (b) Any change to the terms and conditions of the Share Option Scheme 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 options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the Share Option Scheme to alter the terms of Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the 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 SHARE OPTION SCHEME**

The 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 Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the 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);
- (d) for Related Entity Participant and Service Provider, the date on which the Board shall at their absolute discretion determine that: (a) the Grantee has committed any breach of any contract entered into between the Grantee, his associate and/or the relevant related entity and/or the service provider on the one part and any member of the Group on the other part; (b) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with its creditors generally; or (c) the Grantee and/or the relevant related entity and the service provider which the Grantee served could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever;
- (e) in the event that the prospective Executive does not join the Group, within 6 months after the grant of the Options to him/her, the Option shall lapse on the last day of the 6-month period; and
- (f) the date of the commencement of the winding-up of the Company.

The resolution of the Board or the board of the relevant subsidiary or the Related Entity (as the case may be) regarding whether the relationship with the Grantee has been terminated for one or more of the reasons specified in this paragraph shall be final and conclusive.

“Executive” in paragraph 27 above refers to the directors (or prospective directors), employees (whether full-time or part-time) (or prospective employees) of the Group or of the Related Entities.

## **28. TERMINATION**

The Company by ordinary resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the 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 Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

## **29. MISCELLANEOUS**

The terms of the 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 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.

The following are the details of the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Articles of Association. If the serial numbering of the clauses of the Articles of Association is changed due to the addition, deletion or re-arrangement of certain clauses made in these Proposed Amendments, the serial numbering of the clauses of the Articles of Association as so amended shall be changed accordingly, including cross-references.

*Note:* The Proposed Amendments are prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Proposed Amendments	Provisions of the Articles of Association after incorporating the Proposed Amendments and fully replacing the relevant existing Articles
<p><del>Article 2(1) “business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.</del></p>	<p>–</p>
<p><u>Article 2(1) (j) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;</u></p>	<p>Article 2(1)(j) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;</p>

<p align="center"><b>Proposed Amendments</b></p>	<p align="center"><b>Provisions of the Articles of Association after incorporating the Proposed Amendments and fully replacing the relevant existing Articles</b></p>
<p><b>Article 2(1) <del>(j)</del>(k)</b> a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;</p>	<p><b>Article 2(1)(k)</b> a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;</p>
<p><b>Article 2(1) <del>(k)</del>(l)</b> references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;</p>	<p><b>Article 2(1)(l)</b> references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;</p>
<p><b>Article 2(1) <del>(l)</del>(m)</b> references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and</p>	<p><b>Article 2(1)(m)</b> references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and</p>
<p><b>Article 2(1) <del>(m)</del>(n)</b> where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.</p>	<p><b>Article 2(1)(n)</b> where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.</p>

Proposed Amendments	Provisions of the Articles of Association after incorporating the Proposed Amendments and fully replacing the relevant existing Articles
<p><del>Article 3(3) Subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company. The Company is authorised to hold treasury shares in accordance with the Act and may designate as treasury shares any of its shares that it purchases or redeems, or any share surrendered to it subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority. Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred as the Board may determine on such terms and subject to such conditions as it in its absolute discretion thinks fits in accordance with the Act subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority.</del></p>	<p><b>Article 3(3)</b> The Company is authorised to hold treasury shares in accordance with the Act and may designate as treasury shares any of its shares that it purchases or redeems, or any share surrendered to it subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority. Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred as the Board may determine on such terms and subject to such conditions as it in its absolute discretion thinks fits in accordance with the Act subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority.</p>
<p><del>Article 3(3)(4)</del> Subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.</p>	<p><b>Article 3(4)</b> Subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.</p>
<p><del>Article 3(4)(5)</del> The Board may accept the surrender for no consideration of any fully paid share.</p>	<p><b>Article 3(5)</b> The Board may accept the surrender for no consideration of any fully paid share.</p>
<p><del>Article 3(5)(6)</del> No share shall be issued to bearer.</p>	<p><b>Article 3(6)</b> No share shall be issued to bearer.</p>



<p><b>Proposed Amendments</b></p>	<p><b>Provisions of the Articles of Association after incorporating the Proposed Amendments and fully replacing the relevant existing Articles</b></p>
<p><b>Article 10(a)</b> the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class <del>and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum;</del> and</p>	<p><b>Article 10(a)</b> the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class; and</p>
<p><b>Article 79</b> <u>The instrument appointing a proxy shall be in such form as the Board may determine and in the absence of such determination, shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign the same. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.</u> In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.</p>	<p><b>Article 79</b> The instrument appointing a proxy shall be in such form as the Board may determine and in the absence of such determination, shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.</p>



<p><b>Proposed Amendments</b></p>	<p><b>Provisions of the Articles of Association after incorporating the Proposed Amendments and fully replacing the relevant existing Articles</b></p>
<p><b>Article 163(1)</b> Any Notice or other document delivered or sent <u>in any manner permitted by by post to or left at the registered address of any Member in pursuance</u> of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.</p>	<p><b>Article 163(1)</b> Any Notice or other document delivered or sent in any manner permitted by these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.</p>
<p><b>Article 163(2)</b> A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it <u>via electronic means or</u> through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, <u>at the electronic or postal</u> address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such <u>electronic or postal an</u> address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.</p>	<p><b>Article 163(2)</b> A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it via electronic means or through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the electronic or postal address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such electronic or postal address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.</p>

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## NOTICE OF EGM

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**PHOENITRON**

### **PHOENITRON HOLDINGS LIMITED**

**品創控股有限公司**

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

**(Stock Code: 8066)**

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

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Phoenitron Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Thursday, 10 April 2025 (Hong Kong time) at Pacific Room IV, 9/F, Towers Wing, Royal Pacific Hotel, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

#### **AS AN ORDINARY RESOLUTION**

1. “**THAT:**

- (a) subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are set out in the printed documents marked “A” produced to the meeting and for the purpose of identification signed by the Chairman hereof, the rules of the Share Option Scheme be and are hereby approved and adopted, and the directors (the “**Director(s)**”) be and are hereby authorised to grant options to allot, issue and deal in the Shares as may be required to be allotted and issued (and/or to transfer such number of treasury shares, as applicable) upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Share Option Scheme;
- (b) the total number of Shares to be allotted and issued (including any Treasury Shares which may be transferred, as applicable) pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company (the “**Scheme Mandate Limit**”), shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue (excluding treasury shares) as at the date of passing of this resolution; and

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- (c) the sublimit on the total number of Shares that may be issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards to be granted to service providers under all the share schemes of the Company (the “**Service Provider Sublimit**”) of 5 per cent. of the total number of Shares in issue (excluding treasury shares) on the date of approval of the Share Option Scheme be and is hereby approved and adopted.”

### AS A SPECIAL RESOLUTION

2. “**THAT:**

- (a) the existing second amended and restated articles of association of the Company (the “**Articles**”, each an “**Article**”) be amended in the following manner (the “**Proposed Amendments**”) with immediate effect:

- (i) Article 2 be amended by removing the term “business day” and its definition in their entirety.
- (ii) Article 2 be further amended by inserting the following sub-paragraph (j) and re-ordering the subsequent paragraphs alphabetically:

“references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;”

- (iii) Article 3 be amended by adding the following provision as Article 3(3) and re-numbering the existing Article 3(3) to Article 3(5) as Article 3(4), Article 3(5) and Article 3(6) respectively:

“The Company is authorised to hold treasury shares in accordance with the Act and may designate as treasury shares any of its shares that it purchases or redeems, or any share surrendered to it subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority. Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred as the Board may determine on such terms and subject to such conditions as it in its absolute discretion thinks fits in accordance with the Act subject to the rules and regulations of the Designated Stock Exchange and/or any competent regulatory authority.”

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- (iv) Article 10(a) be and is hereby amended by deleting the words “and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum”
- (v) Article 79 be amended by replacing the first sentence with the following:
- “The instrument appointing a proxy shall be in such form as the Board may determine and in the absence of such determination, shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign the same.”
- (vi) Article 163(1) be amended by replacing the words “by post to or left at the registered address of any Member in pursuance of” with “in any manner permitted by”.
- (vii) Article 163(2) be amended as follows:
- (i) by adding the words “via electronic means or” after the words “disorder or bankruptcy of a Member by sending it” in the second line;
- (ii) by adding the words “electronic or postal” before the word “address” in the fifth line; and
- (iii) by replacing the word “an” with “electronic or postal” before the words “address has been so supplied” in the sixth line.
- (b) any director, secretary or registered office provider of the Company be and is hereby authorised to do all acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By order of the Board  
**Phoenitron Holdings Limited**  
**Chang Wei Wen**  
*Executive Director*

Hong Kong, 21 March 2025

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## NOTICE OF EGM

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*Notes:*

1. All the resolutions set out in this Notice shall be decided by poll.
2. A shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a person or persons (if he holds two or more Shares) as his proxy or proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
3. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 7 April 2025 to Thursday, 10 April 2025, both dates inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for attending the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 3 April 2025.
4. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, 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 holding the EGM or any adjourned meeting, and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting if the shareholder so desires and in such event the instrument appointing a proxy shall be deemed to be revoked.
6. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning or “extreme conditions after super typhoons” announced by the Government of Hong Kong is/are in effect any time after 9:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at [www.phoenitron.com](http://www.phoenitron.com) and on the website of the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and venue of the rescheduled meeting.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. In case of discrepancy between the English version and the Chinese version of this notice, the English version shall prevail.