
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Power Financial Group Limited (“**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchasers or transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or transferees.

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Power Financial Group Limited
權威金融集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 397)

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

A notice convening the AGM to be held at 10:00 a.m. on Friday, 16 June 2023 at 2102, 21/F., World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use by the Shareholders at the AGM is enclosed herein.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event by 10:00 a.m. (Hong Kong time) on Wednesday, 14 June 2023 or not less than 48 hours before the time appointed for holding of any postponed or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any postponed or adjourned meeting should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

22 May 2023

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Friday, 16 June 2023 at 2102, 21/F., World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong, the notice of which is set out on pages AGM-1 to AGM-6 of this circular
“Audit Committee”	the audit committee of the Board of the Company
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company currently in force
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Power Financial Group Limited 權威金融集團有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the persons who may be invited by the Directors to take up Options including: <ul style="list-style-type: none">(a) directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies) (“Employee Participant(s)”);(b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“Related Entity Participant(s)”); and

DEFINITIONS

	(c) business advisers who provide services to the member(s) of the Group on a continuing or recurring basis with recurring service contracts and in their ordinary and usual course of business which are in the interests of the long-term growth of the Group (“ Service Provider(s) ”). For the avoidance of doubt, Service Provider(s) exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 4 June 2013
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 5 in the notice convening the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM for the benefits of the Eligible Participants, a summary of the principal terms of which is set out in Appendix III to this circular

DEFINITIONS

“Nomination Committee”	the nomination committee of the Board of the Company
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a business day, on which an Offer is made to an Eligible Participant
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or, as appropriate, the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Share Option Scheme; and (ii) 10 years from the Offer Date of that Option
“Proposed Change of Company Name”	the proposal for the Company to change its English name from “Power Financial Group Limited” to “Minerva Group Holding Limited” and to cease to register “權威金融集團有限公司” as its secondary name in Chinese and to adopt a new Chinese name “贏集團控股有限公司” for identification purpose only
“Remuneration Committee”	the remuneration committee of the Board of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase Shares, which shall not exceed 10% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 4 in the notice convening the AGM
“Retiring Directors”	collectively, Mr. Li Wing Cheong, Mr. Tong Hin Jo and Ms. Chan Lai Ping
“Scheme Mandate Limit”	the initial maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company

DEFINITIONS

“Service Provider Sublimit”	the initial maximum number of Shares which may be issued in respect of all Options to be granted to the Service Providers under the New Share Option Scheme out of the Scheme Mandate Limit
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (as amended from time to time)
“%”	per cent.

LETTER FROM THE BOARD



Power Financial Group Limited **權威金融集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

Executive Directors:

Mr. Li Wing Cheong (*Chairman*)

Mr. Tong Hin Jo

Independent non-executive Directors:

Ms. Chan Lai Ping

Ms. Tam Mei Chu

Mr. Ho Yuen Tung

Registered office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 1804A, 18/F.

Far East Finance Centre

16 Harcourt Road

Hong Kong

22 May 2023

To the Shareholders

Dear Sir or Madam,

**(1) GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) CHANGE OF COMPANY NAME; AND
(4) ADOPTION OF NEW SHARE OPTION SCHEME**

INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the proposed re-election of Retiring Directors; (iii) the Proposed Change of Company Name; and (iv) proposed adoption of New Share Option Scheme; and to give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The general mandate previously granted to the Directors at the annual general meeting of the Company held on 17 June 2022 to allot, issue and deal with the unissued Shares not exceeding 20% of the number of issued Shares as at the date of such annual general meeting and the general mandate granted to the Directors to repurchase Shares will expire at the conclusion of the AGM. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors:

- (a) to repurchase Shares on the Stock Exchange of up to 10% of the number of issued Shares on the date of passing such resolution (i.e. 278,355,273 Shares assuming that the total number of Shares in issue remains the same at 2,783,552,734 Shares from the Latest Practicable Date up to the date of passing such resolution);
- (b) to allot, issue or deal with Shares of up to 20% of the number of issued Shares on the date of passing such resolution (i.e. 556,710,546 Shares assuming that the total number of Shares in issue remains the same at 2,783,552,734 Shares from the Latest Practicable Date up to the date of passing such resolution); and
- (c) to extend the General Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the General Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the AGM as set out on pages AGM-1 to AGM-6 of this circular. With reference to the Repurchase Mandate and the General Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

At the AGM, the Retiring Directors will retire from office in accordance with Bye-Law 99 and Bye-Law 102(B) of the Bye-Laws and, being eligible, will offer themselves for re-election.

LETTER FROM THE BOARD

Pursuant to Bye-Law 99 of the Bye-Laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third but not less than one-third, shall retire from office by rotation. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The Company at any general meeting at which any Directors retire may fill the vacated offices. For the avoidance of doubt, each Director shall retire at least once every three years. Any Director appointed pursuant to Bye-Law 102(B) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Li Wing Cheong, the executive Director, and Ms. Chan Lai Ping, the independent non-executive Director, will retire from office at the AGM and, being eligible, will offer themselves for re-election.

Pursuant to Bye-Law 102(B) of the Bye-Laws, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting. Accordingly, Mr. Tong Hin Jo, the executive Director, will retire from office at the AGM and, being eligible, will offer himself for re-election.

Further particulars of each of the Retiring Directors are set out in Appendix II to this circular.

PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 9 March 2023 in relation to the Proposed Change of Company Name.

The Board proposes to change the English name of the Company from “Power Financial Group Limited” to “Minerva Group Holding Limited”, to cease to register “權威金融集團有限公司” as its secondary name in Chinese and to adopt a new Chinese name “贏集團控股有限公司” for identification purpose only.

Conditions for the Proposed Change of Company Name

The Proposed Change of Company Name is conditional upon the satisfaction of the following conditions:

1. the passing of a special resolution by the Shareholders at the AGM approving, amongst other matters, the Proposed Change of Company Name; and
2. the Registrar of Companies in Bermuda granting approval for the Proposed Change of Company Name.

LETTER FROM THE BOARD

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name will take effect from the date of registration as set out in the certificate of incorporation on change of name. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Proposed Change of Company Name

The decision to change the Company name from Power Financial Group Limited to Minerva Group Holding Limited signifies the Company's broader focus on corporate finance, asset investment and management, as well as other advisory services, branching out from its principal business in securities brokerage and money lending.

By changing the Company name to Minerva Group Holding Limited, the Company signals its commitment to expanding its financial services and positioning as a comprehensive financial service provider dedicated to mining for value and helping its clients to achieve their financial goals through wise decision-making, strategic thinking and financial expertise. The Board considers that the new company name will become a new brand image that better reflects the Company's future strategy and potential expansion in the business scope of the Group to meet the evolving needs of its clients in the highly competitive financial services industry.

The Proposed Change of Company Name provides the Company with a new corporate identity and image which is in the best interest of the Company and the Shareholders as a whole.

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any rights of the Shareholders or the Group's daily business operation or its financial position. All existing share certificates of the Company in issue bearing the current name of the Company shall, after the Proposed Change of Company Name becoming effective, continue to be evidence of title to such shares of the Company and will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing share certificates for new share certificates bearing the new name of the Company (in both English and Chinese). Upon the Proposed Change of Company Name becoming effective, all new share certificates of the Company will only be issued in the new name of the Company.

In addition, subject to confirmation by the Stock Exchange, the English and Chinese stock short names of the Company for trading in the securities of the Company on the Stock Exchange will also be changed after the Proposed Change of Company Name becoming effective. Subject to the Proposed Change of Company Name becoming effective, the Company will also adopt a new logo and change its website.

Further announcement(s) will be made by the Company to inform the Shareholders of the results of the AGM, the effective date of the Proposed Change of Company Name and details of the change of the English and Chinese stock short names, the new logo and the new website of the Company.

LETTER FROM THE BOARD

THE EXISTING SHARE OPTION SCHEME

The adoption date of the Existing Share Option Scheme was 4 June 2013. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective until 3 June 2023, being 10 years after the adoption date of the Existing Share Option Scheme. Taking into account that the Existing Share Option Scheme will soon be expired, the Board proposes to adopt the New Share Option Scheme pursuant to Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, Options granted under the Existing Share Option Scheme, which remained outstanding, would entitle the holders thereof to subscribe for an aggregate of 139,150,000 Shares. Details of such outstanding Options, which were granted under the Existing Share Option Scheme to the employees of the Company, are set out as below:

Date of grant	Exercise price per Share (HK\$)	Exercise period	No. of underlying Shares that are issuable as at the Latest Practicable Date
29 July 2022	0.103	29 July 2022 to 28 July 2024	27,830,000
29 July 2022	0.103	29 July 2022 to 28 July 2024	27,830,000
29 July 2022	0.103	29 July 2022 to 28 July 2024	27,830,000
29 July 2022	0.103	29 July 2022 to 28 July 2024	27,830,000
29 July 2022	0.103	29 July 2022 to 28 July 2024	27,830,000

Upon the expiry of the Existing Share Option Scheme on 3 June 2023, no further Options shall be offered pursuant to the Existing Share Option Scheme but the Existing Share Option Scheme shall in all other respects remain in force to the extent necessary to give effect to the exercise of any outstanding Options granted prior to its termination. The then outstanding Options shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. All such Options are not subject to any vesting period and were vested upon their grant.

As at the Latest Practicable Date, the Company does not have any intention to grant any Option to the eligible participants under the Existing Share Option Scheme up to its expiry.

ADOPTION OF THE NEW SHARE OPTION SCHEME

New Share Option Scheme

The Board proposes to adopt the New Share Option Scheme pursuant to Chapter 17 of the Listing Rules. An ordinary resolution will be proposed at the AGM for the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

The Directors consider the New Share Option Scheme will continue to enable the Group to reward or give incentives to its employees, directors and other selected participants for their contributions to the growth and development of the Group and/or enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as subject to as mentioned in Appendix III to this circular, the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of Options will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted.

The New Share Option Scheme enables the Directors to grant Option(s) to Eligible Participants including Employee Participants, Related Entity Participants and Service Providers. The Directors are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Directors also consider that it is beneficial to include Service Providers and Related Entity Participants since a sustainable and stable relationship with them is essential to the business development of the Group. The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate (please refer to the factors set out in paragraph (2) in Appendix III to this circular) and taking into account criteria based on the nature of the contributions made by Related Entity Participants before granting Option(s) to them (please refer to the factors set out in paragraph (2) in Appendix III to this circular).

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participants to whom the Options shall be granted. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

As at the Latest Practicable Date, there were 2,783,552,734 Shares in issue. Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the date of the adoption of the New Share Option Scheme, and subject to the passing of the relevant resolution, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company ("**Scheme Mandate Limit**") will be 278,355,273 Shares, being 10% of the Company's issued share capital as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM. The Scheme Mandate Limit may however be refreshed as detailed in paragraph (3) of Appendix III to this circular. Out of the Scheme Mandate Limit and subject to sub-paragraphs (3)(b) and (c) of Appendix III to this circular, a maximum of 27,835,527 Shares, being 1% of the Company's issued share capital as at the adoption date of the New Share Option Scheme shall be allocated as Service Provider Sublimit for granting Options to Service Providers. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the actual or expected contribution in the Group's revenue or profits which is attributable to Service Providers, the nature of the Service Providers' contribution to the long-term growth of the Group's core business and/or the future capital needs of the Group.

LETTER FROM THE BOARD

No trustee has been appointed under the New Share Option Scheme. None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A grantee under the New Share Option Scheme is required to hold an Option for the minimum vesting period and, if applicable, achieve the performance targets as specified in the Offer to such grantee before the exercise of an Option.

Value of Options that can be granted under the New Share Option Scheme

The Directors consider that it is not appropriate and impractical to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the New Share Option Scheme at the AGM will not be meaningful to the Shareholders, since the Options will subject to the applicable provisions of the Listing Rules be personal to the grantee of Options and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. In addition, the calculation of the value of the Options is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

Condition of the adoption of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit and the passing of the relevant resolution by the Shareholders for the adoption of the New Share Option Scheme.

Major differences between the Existing Share Option Scheme and the New Share Option Scheme

For ease of reference, below are some of the major differences between the Existing Share Option Scheme and the New Share Option Scheme:

- (i) the definition and scope of “Eligible Participants” is re-defined. Pursuant to the New Share Option Scheme, (a) directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option as an inducement to enter into employment contracts with such companies) (i.e. Employee Participants); (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (i.e. Related Entity Participants); and (c) business advisers who provide services to the member(s) of the Group on a continuing or recurring basis with recurring service contracts and in their ordinary and usual course of business which are in the interests of the long-term growth of the Group (i.e. Service Providers) may be invited by the Directors to take up Options;

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider the proposed categories of Related Entity Participant and Service Provider Participant to be in line with industry norms and that the proposed scope for “Eligible Participants” (including the selection of Eligible Participants) to be appropriate and aligns with the purpose of the New Share Option Scheme. In particular:

- (a) Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance;
- (b) Service Provider Participants refer to business advisers of any member of the Group that the Company considers to be particularly important to the success of the Group's business and future development by contributing to the Group with business referrals and investment opportunities referrals. To enable the Group to preserve its resources, the Group use share incentives to attract business and investment opportunities, whilst also aligning their interests with that of the Group and Shareholders through the Service Provider Participants owning a proprietary interest in the Company and becoming future Shareholders;
- (c) this scope is consistent with scope of grantees approved by the Company under past share schemes, as well as, to the best knowledge of the Directors, the practices, remuneration or compensation packages of peer companies that operate in industries similar or comparable to that of the Group (for example, financial and money lending industries) or other companies listed in Hong Kong. Accordingly, the Directors (including the independent non-executive Directors) consider it appropriate to enhance the long-term relationship with these Eligible Participants by aligning their interests with that of the Company and Shareholders.

Based on the above, the Directors (including the independent non-executive Directors) believe that the proposed scope for “Eligible Participants” is in line with the purpose of the New Share Option Scheme.

- (ii) the New Share Option Scheme provides the assessment criteria of whether an Offer should be made to an Eligible Participant and the criteria of assessing the eligibility of each of Employee Participants, Related Entity Participants and Service Providers;
- (iii) the New Share Option Scheme provides that the Directors are entitled to impose any terms and conditions and specify in the Offer the vesting of the Options on a grantee of the New Share Option Scheme and inform such grantee of the related conditions provided that the vesting period for any Options shall not be less than 12 months unless under specified circumstances;
- (iv) the New Share Option Scheme removes the maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under any share option schemes (including the New Share Option Scheme) of the Company being 30% of the issued shares from time to time;

LETTER FROM THE BOARD

- (v) the New Share Option Scheme differentiates the voting requirements for refreshing the Scheme Mandate Limit and the Service Provider Sublimit as between (aa) refreshment within three years after adoption/last refreshment and (bb) refreshment proposed after such three years' period;
- (vi) the New Share Option Scheme removes the HK\$5 million de minimis threshold for grants of share options to an independent non-executive Director or substantial shareholder of the Company;
- (vii) the New Share Option Scheme provides the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Directors and sets out factors in assessing the amount of Options to be clawed back; and
- (viii) the New Share Option Scheme provides that any change to the terms of the Option granted to a grantee of the New Share Option Scheme must be approved by the Board, Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the Existing Share Option Scheme.

General

A summary of the principal terms of the rules of New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.powerfinancial.com.hk> for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Option granted under the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM).

As at the Latest Practicable Date, no Option has been granted or agreed to be granted under the New Share Option Scheme and the Company currently does not have any plan to grant Options under the New Share Option Scheme in the next 12-month period after the adoption of the New Share Option Scheme.

AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; the re-election of the Retiring Directors; Proposed Change of Company Name; and the adoption of New Share Option Scheme.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and published on the websites of the Stock Exchange and the Company. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by 10:00 a.m. (Hong Kong time) on Wednesday, 14 June 2023 or not less than 48 hours before the time appointed for holding any postponed or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any postponed or adjourned meeting should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked. The results of the poll will be published on the websites of the Stock Exchange and the Company after the AGM pursuant to the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM under the Listing Rules. All the resolutions put to vote at the AGM will be decided by way of poll as required by the Listing Rules (except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive) (Hong Kong time), during which period no transfer of Shares can be registered. In order to be eligible for attending and voting at the AGM, all duly completed share transfer documents, together with the relevant share certificates, must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Monday, 12 June 2023.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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, information 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.

RECOMMENDATION

The Directors consider that (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the re-election of the Retiring Directors; (iii) the Proposed Change of Company Name; and (iv) the adoption of New Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the various appendices.

Yours faithfully
By Order of the Board
Power Financial Group Limited
Mr. Li Wing Cheong
Chairman

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,783,552,734 Shares. Subject to the passing of resolution numbered 4 approving the Repurchase Mandate as set out in the notice convening the AGM on pages AGM-1 to AGM-6 of this circular, and assuming that the issued share capital of the Company will not change prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 278,355,273 Shares, representing 10% of the total number of the issued Shares as at the Latest Practicable Date until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act or any other applicable laws of Bermuda to be held; or (iii) the revocation or variation by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-Laws, the Companies Act, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Companies Act provides that a company may only repurchase its own shares out of capital paid up on its shares to be repurchased, or out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made by the company for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of either funds of the company that would otherwise be available for dividend or distribution, or out of the company's share premium account. Further, such repurchase may not be made if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

4. IMPACT OF REPURCHASES

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2022, the date to which the latest audited consolidated financial statements of the Group were made up.

5. SHARE PRICES

In each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange are as follows:

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
May	0.169	0.143
June	0.159	0.133
July	0.143	0.095
August	0.161	0.096
September	0.172	0.140
October	0.168	0.138
November	0.184	0.149
December	0.203	0.167
2023		
January	0.198	0.157
February	0.200	0.157
March	0.182	0.138
April	0.173	0.134
May (up to and including the Latest Practicable Date)	0.185	0.144

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company and no such person has undertaken not to sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-Laws.

8. TAKEOVERS CODE IMPLICATIONS

If as a result of a share repurchase, a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a repurchasing company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

In addition, the Directors have no intention to exercise the Repurchase Mandate to such extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

9. SHARES REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, the Company had not repurchased any Share on the Stock Exchange or otherwise.

10. STATUS OF REPURCHASED SHARES

The listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase. The Company shall ensure that the documents of title of the repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

The following are the particulars of the Retiring Directors, all of whom will retire at the AGM and, being eligible, will offer themselves for re-election.

1. **Mr. Li Wing Cheong** (former name: Li Wing Cheong Leonard), aged 57, was appointed as an executive Director with effect from 31 January 2022 and as the Chairman, the chairman of the Nomination Committee and a member of the Remuneration Committee with effect from 30 September 2022. He is also a director of various subsidiaries of the Company.

Mr. Li holds a master degree of Master of Arts in Professional Accounting and Information Systems from the City University of Hong Kong in Hong Kong and a degree of Bachelor of Administrative Studies from York University in Canada.

Mr. Li has over 26 years of work experience in the area of accounting, auditing and loan financing. He joined the Group in June 2021 and served as the vice president of the Company's subsidiaries. He was appointed as an executive Director with effect from 31 January 2022. Before his appointment as an executive Director, he worked in various local securities firms and loan financing companies.

Mr. Li was a director of ABC Marketing Limited, a company incorporated in Hong Kong which was dissolved by deregistration under section 751 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) or under section 291AA of the then prevailing Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as the said company ceased to carry on business. As confirmed by Mr. Li, ABC Marketing Limited was dissolved due to cessation of business and was solvent at the time of it being dissolved by deregistration.

As at the Latest Practicable Date, Mr. Li was granted the share options entitling the holder to subscribe for up to 27,830,000 Shares under the share option scheme adopted by the Company on 4 June 2013.

Mr. Li has entered a letter of appointment with the Company under which Mr. Li is appointed for a period from 31 January 2022 to 30 January 2023. Upon expired, Mr. Li entered a new letter of appointment with the Company under which Mr. Li is appointed for a period commencing from 31 January 2023 to 30 April 2024 and his appointment can be terminated by Mr. Li or by the Company giving the other party one month's written notice in advance. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws and the Listing Rules. Currently, Mr. Li is entitled to receive a monthly director's fee of HK\$46,350 pursuant to his letter of appointment. The amount of emoluments paid to Mr. Li for the year ended 31 December 2022 was approximately HK\$1,666,000, which is set out in Note 11 to the consolidated financial statements for the year ended 31 December 2022 on page 130 of the Company's 2022 Annual Report. The remuneration of Mr. Li has been reviewed by the Remuneration Committee and was determined by the Board with reference to the Company's remuneration policy, the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Li with the Company. Mr. Li's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

As at the Latest Practicable Date, save as disclosed above, (i) Mr. Li has not held any other major appointments and qualifications or any directorships in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Li does not hold any other positions with the Company or other members of the Group; (iii) Mr. Li does not have any relationships with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company; (iv) Mr. Li does not have any interests and short positions in the shares or underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (v) there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Li.

2. **Mr. Tong Hin Jo**, aged 42, was appointed as an executive Director with effect from 1 December 2022. Mr. Tong joined the Group in June 2022 and is currently a director and responsible officer of two subsidiaries of the Company, namely Minerva Securities Limited (formerly known as Power Securities Company Limited) and Minerva Asset Investment Capital Limited (formerly known as Power Asset Management Company Limited).

Mr. Tong obtained a master's degree in business administration at the University of Sunderland in February 2019. He is a holder of Type 1 (Dealing in Securities) and Type 9 (Asset Management) regulated activities licences under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Tong has over 18 years of experience working in the financial services industry. Prior to joining the Group, Mr. Tong served as representatives and responsible officers in a number of investment banks and securities firms with a focus on securities brokerage, debt and equity capital market, investment management, private equity, compliance and risk management.

Mr. Tong entered into a letter of appointment with the Company in respect of his appointment as an executive Director and such other roles as may be designated by the Company from time to time under which Mr. Tong is appointed as for a term from 1 December 2022 to 30 April 2024 and his appointment can be terminated by Mr. Tong or by the Company giving the other party two month's written notice in advance. His appointment as an executive Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws and the Listing Rules. Currently, Mr. Tong is entitled to receive a monthly director's fee of HK\$20,000 pursuant to his letter of appointment and a monthly salary of HK\$60,000 pursuant to his employment contract make between a subsidiary of the Company and Mr. Tong. The amount of emoluments paid to Mr. Tong for the year ended 31 December 2022 was approximately HK\$115,000, which is set out in Note 11 to the consolidated financial statements for the year ended 31 December 2022 on page 130 of the Company's 2022 Annual Report. The remuneration of Mr. Tong has been reviewed by the Remuneration Committee and was determined by the Board with reference to the Company's remuneration policy, the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Tong with the Company. Mr. Tong's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

As at the Latest Practicable Date, save as disclosed above, (i) Mr. Tong has not held any other major appointments and qualifications or any directorships in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Tong does not hold any other positions with the Company or other members of the Group; (iii) Mr. Tong does not have any relationships with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to it under the Listing Rules) of the Company; (iv) Mr. Tong does not have any interest and short positions in the shares or underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong); and (v) there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Tong.

3. **Ms. Chan Lai Ping**, aged 39, was appointed as an independent non-executive Director, the chairperson of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee, all with effect from 30 September 2021. Ms. Chan was subsequently re-designated as the chairperson of the Remuneration Committee with effect from 31 December 2021.

Ms. Chan holds a degree of Bachelor of Business Administration (Honours) (Major in Accounting) from Lingnan University in Hong Kong. She is a registered member of Hong Kong Institute of Certified Public Accountants.

Ms. Chan is the financial controller and company secretary of China Demeter Financial Investments Limited (whose shares are listed on GEM of the Stock Exchange, Stock Code: 8120) (“**China Demeter**”) since 18 November 2015. Before she joined China Demeter in August 2014, she worked in various local and international audit firms for around eight years. She has been appointed as an independent non-executive director of Theme International Holdings Limited (whose shares are listed on Main Board of the Stock Exchange, Stock Code: 990) with effect from 6 July 2022.

Ms. Chan has entered a letter of appointment with the Company under which Ms. Chan is appointed for a period from 30 September 2021 to 29 September 2022. Upon expired, Ms. Chan entered a new letter of appointment with the Company under which Ms. Chan is appointed for a period commencing from 30 September 2022 to 30 April 2024 and her appointment can be terminated by Ms. Chan or by the Company giving the other party one month’s written notice in advance. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws and the Listing Rules. Currently, Ms. Chan is entitled to receive a monthly director’s fee of HK\$10,000 pursuant to her letter of appointment. The amount of emoluments paid to Ms. Chan for the year ended 31 December 2022 was approximately HK\$120,000, which is set out in Note 11 to the consolidated financial statements for the year ended 31 December 2022 on page 130 of the Company’s 2022 Annual Report. The remuneration of Ms. Chan has been reviewed by the Remuneration Committee and was determined by the Board with reference to the Company’s remuneration policy, the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Ms. Chan with the Company. Ms. Chan’s remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

As at the Latest Practicable Date, save as disclosed above, (i) Ms. Chan has not held any other major appointments and qualifications or any directorships in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Ms. Chan does not hold any other positions with the Company or other members of the Group; (iii) Ms. Chan does not have any relationships with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company; (iv) Ms. Chan does not have any interests and short positions in the shares or underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong); and (v) there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Ms. Chan.

Ms. Chan made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that Ms. Chan meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent. Ms. Chan has extensive experience in accounting and auditing. In considering the re-election of the Ms. Chan, the Nomination Committee has considered the past performance of Ms. Chan, the independence confirmations pursuant to Rule 3.13 of the Listing Rules being furnished to the Company and the background, skills, knowledge and experience of Ms. Chan having regard to the board diversity policy adopted by the Board. The Nomination Committee considered that the appointment of the Ms. Chan can contribute to the diversity of the Board having regard to her background, skills, knowledge and experience in the area of accounting. The re-election of Ms. Chan as an independent non-executive Director will continue to further replenish the valuable knowledge of the Board in the area of accounting. As such, the Nomination Committee recommended the re-appointment of Ms. Chan to the Board for the Board to recommend to the Shareholders for re-election at the AGM. The Board believes her re-election is in the interests of the Company and its Shareholders as a whole and therefore she should be re-elected.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM:

(1) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Directors to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the New Share Option Scheme and the Listing Rules, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (a) directors and employees of the Company or any of its subsidiaries (including persons who are granted options or awards under the New Share Option Scheme as an inducement to enter into employment contracts with such companies) (i.e. “**Employee Participant(s)**”);
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (i.e. “**Related Entity Participant(s)**”); and
- (c) business advisers who provide services to the member(s) of the Group on a continuing or recurring basis with recurring service contracts and in their ordinary and usual course of business which are in the interests of the long term growth of the Group (i.e. “**Service Provider(s)**”). For the avoidance of doubt, Service Provider(s) exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the above classes of participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the New Share Option Scheme.

The basis of eligibility of any of the above class of participants to the grant of any Options shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to this contribution or potential contribution to the development and growth of the Group.

Employee Participants

In assessing the eligibility of the Employee Participant(s), the Directors will consider all relevant factors as appropriate, including, among others:

- (a) his skills, knowledge, experience, expertise and other relevant personal qualities;
- (b) his performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (c) his contribution made or expected to be made to the growth of the Group; and
- (d) his educational and professional qualifications and knowledge in the industry.

Related Entity Participants

In assessing the eligibility of the Related Entity Participant(s), the Directors will consider all relevant factors as appropriate, including, among others:

- (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (b) the period of engagement or employment of the Related Entity Participant by the Group;
- (c) the number, scale and nature of the projects in which the Related Entity Participant is involved;
- (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
- (e) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
- (f) the materiality and nature of the business relation of the 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 which may benefit the core business of the Group through a collaborative relationship.

The Company has not previously granted any Options to the Related Entity Participants under the Existing Share Option Scheme.

Service Providers

Service Provider(s) refer to business advisers of any member of the Group who provide services to the member(s) of the Group on a continuing and recurring basis with recurring service contracts and in their ordinary and usual course of business akin to those of employees. For the avoidance of doubt, Service Provider(s) exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Service Providers, being business advisers, shall provide services to the Group in connection with the provision of business development, business advisory and business referrals relating to money lending, financial services and asset investment, being the Group's principal business activities. They shall provide research, due diligence work, business consultation, business development, business advisory and business referrals services that could cultivate as business transactions or investments in relation to the Group's money lending, financial services and or asset investment segments in order to qualify for the New Share Option Scheme. The business advisers relate to the Group's money lending, financial services and/or asset investment businesses because their services were provided to cultivate relationship with potential customers or investment targets of the Group's money lending, financial services and asset investment businesses. The business advisers shall directly contribute to the long-term growth of the Group's business by taking roles or providing services that are in a continuing and recurring nature and in its ordinary and usual course of business. In assessing whether the business advisers provide services on a continuing and recurring basis and in the ordinary and usual course of business, the Company would take into account the quality of their services and performances in terms of revenue, profitability as well as the size and number of institutions and/or investments brought from these business activities during the course of their service contract with the Group. The work of business advisers is closely connected with various areas of the Group's day-to-day operations, including money lending, financial services and asset investment, and the performances of business advisers will contribute to the operating performance and financial results of the Group. Hence, the continuity and frequency of the services aforementioned provided by business advisers are akin to those of employees and are in the Company's ordinary and usual course of business.

Such business advisers would possess industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas of the Group. Their continuing and recurring engagement and cooperation with the Group would benefit the Group with frequent and successive strategic advice and guidance in its ordinary and usual course of business, which are substantively comparable to contributions of highly-skilled or executive employees of the Group.

In assessing the eligibility of the Service Provider(s), the Directors will consider all relevant factors as appropriate, including, among others:

- (a) the expertise, professional qualifications and industry experience of the Service Provider;
- (b) the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;

- (c) the prevailing market fees chargeable by other services providers;
- (d) the Group's period of engagement of or collaboration with the Service Provider;
- (e) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;
- (f) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
- (g) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

The Company in January 2016 granted Options to a consultant of the Company under the Existing Share Option Scheme. Such Options entitled the holder thereof to subscribe for 195,000,000 shares of the Company, representing approximately 0.995% of the then issued share capital of the Company. Such Options have been exercised in full.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The initial total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10 per cent of the Shares in issue on the date which the New Share Option Scheme is approved by the Shareholders ("**Scheme Mandate Limit**"). Out of the Scheme Mandate Limit and subject to sub-paragraphs (b) and (c), 10% of which shall be reserved as Service Provider Sublimit for granting Options to Service Providers. Options or awards lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Share Option Scheme and options and awards to be granted under all other schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same (rounded down to the nearest whole Share). The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the actual or expected contribution in the Group's revenue or profits which is attributable to Service Providers, the nature of the Service Providers' contribution to the long-term growth of the Group's core business and/or the future capital needs of the Group and the fact that the Company expects that a majority of Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the Individual Limit (as defined below) and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings.

Considering that there are no other share schemes involving grant of options over new Shares, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders.

- (b) Subject to the preceding paragraph and without prejudice to the following paragraphs, the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three years from the date on which the New Share Option Scheme becomes unconditional upon fulfillment of the conditions of the New Share Option Scheme or the date of Shareholders' approval for the last refreshment ("**Three Years Period**") provided that the total number of Shares which may be issued in respect of all share options to be granted under all of the share option scheme(s) of the Company under the Scheme Mandate Limit must not exceed 10 percent and the Service Provider Sublimit as refreshed must not exceed 1% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the limit, Options previously granted under the New Share Option Scheme (including those exercised, outstanding or cancelled in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company) will not be counted. The circular to be sent by the Company to the Shareholders shall contain, among other information, the number of Options, share options and share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.
- (c) Any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any Three Year Period must be approved by the Shareholders. Any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules.
- (d) Without prejudice to as mentioned above, the Company may seek separate Shareholders' approval in general meeting to grant Options under the New Share Option Scheme or share options under other share option scheme(s) of the Company beyond the Scheme Mandate Limit (or the Service Provider Sublimit) or, if applicable, the extended limits referred to in the paragraphs above provided the Options in excess of the Scheme Mandate Limit (or the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such share options, the number and terms of the share options to be granted to each Eligible Participant, and the purpose of granting options to the specified Eligible Participants with an explanation as to how the terms of the share options serve such purpose. The number and terms of share options to be granted to such Eligible Participant must be fixed before Shareholders' approval.

- (e) For the purpose of seeking the approval of the Shareholders under the preceding paragraphs, the Company must send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

(4) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (excluding any options lapsed in accordance with the terms of the New Share Option Scheme) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (“**Individual Limit**”). Where any further grant of Options to a grantee under the New Share Option Scheme would result in the Shares issued and to be issued upon exercise of all Options granted and proposed to be granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) under the New Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or associates where such grantee is a connected person of the Company) abstaining from voting. The Company shall for such purpose send a circular to the Shareholders. Such circular shall disclose the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules, including but not limited to the purpose of granting options to the Eligible Participant and an explanation as to how the terms of the options serve such purpose. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the New Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Options).

- (b) Where any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options already granted and to be granted (including options exercised, cancelled and outstanding but excluding any Options and awards lapsed in accordance with the terms of the New Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders. The circular must contain (a) details of the number and terms of the Options to be granted to each participant, which must be fixed before the general meeting; (b) the views of the independent non-executive Directors of the Company (excluding any independent non-executive director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (c) information relating to any Directors of the Company who are trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees; and (d) information as required under Rule 2.17 of the Listing Rules. The grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting. Parties that are required to abstain from voting in favour at such general meeting may vote against the resolution at the general meeting provided that their intention to do so has been stated in the relevant circular to Shareholders. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of Options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the independent Shareholders in general meeting.

(6) TIME OF ACCEPTANCE AND EXERCISE OF OPTION

Any offer of the grant of the Option may be accepted by Eligible Participants within 21 days from the date of the offer of grant of the Option and the Option in respect of the number of Shares in respect of which the offer was so accepted will be deemed to have been granted on the date of grant of the Options.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day upon which the offer for the grant of Options is made but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof.

(7) VESTING PERIOD, PERFORMANCE TARGETS AND CLAWBACK MECHANISM**Vesting Period**

A grantee of an Option under the New Share Option Scheme is required to hold such Option for the minimum vesting period. Save in the circumstances mentioned below, the vesting period in respect of an Option granted under the New Share Option Scheme shall be for a period of not less than 12 months. The Directors may at their absolute discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) 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;
- (c) 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
- (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria, each of which is considered appropriate to provide flexibility to grant Options (a) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraph (c)); (b) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraph (b)); (c) reward exceptional performers with accelerated vesting (sub-paragraphs (b) and (d)); (d) to motivate exceptional performers based on performance metrics rather than time (sub-paragraphs (c) and (d)); and (e) in exceptional circumstances where justified (sub-paragraphs (a) to (d)), which is consistent with the purpose of the New Share Option Scheme.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period as mentioned above is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

The Directors (including the independent non-executive Directors) are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply), as detailed above, enables the Company to offer competitive remuneration and reward packages to Employee Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the Share Option Scheme.

In addition, to fully attain the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Options, such as those set out in paragraphs 7(a) and (b) of this Appendix; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) 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 depending on individual circumstances.

Hence, the Board and the remuneration committee of the Board are of the view that the shorter vesting period prescribed in paragraph 7 of this Appendix is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance target

The Directors may establish performance targets against the attainment of which the Options granted to the Eligible Participant concerned may be exercised either in whole or in part. Subject to paragraph 24(d) of this Appendix, the Directors shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during an Option Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Directors.

The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider that it is not practicable to expressly set out a generic set of performance targets in the Rules, as each Grantee will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed on a Grantee upon the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in term of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

The Group will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to growth and development of the Group. The assessment involves the consideration and appraisal of the Eligible Participant's expected contribution with reference to such Eligible Participant's nature of duties (e.g. whether in a sale role, management role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other feature including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The management will propose the performance targets of each Eligible Participant to the Board or the remuneration committee of the Board for consideration, who will then assess the reasonableness and suitability of such performance targets.

Clawback mechanism

The Directors may set out in the Offer the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Directors. If a clawback mechanism is set in an Offer and if such clawback mechanism is triggered, the Options that are clawed back pursuant to such mechanism will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. For the purpose of the clawback mechanism, such cancellation needs not be subject to consent of the relevant Grantee as required in paragraph 20 of this Appendix. With such clawback mechanism in place, the Company would be able to claw back the equity incentives granted to Grantees culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

In assessing the amount of Options to be clawed back in case of occurrence of events that trigger the clawback mechanism, the Board will take into account individual circumstances when devising such mechanism such as the role of the holder of the Options, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such holder of the Options to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Directors believe that these provisions, as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme.

(8) SUBSCRIPTION PRICE

The subscription price for Shares under the New Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets sheet for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

(9) RANKING OF SHARES

- (a) Shares issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the Exercise Date. A Share issued upon the exercise of an Option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.
- (b) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount resulting from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

(10) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, the Company may not grant any Options after inside information has come to its knowledge until it has announced such information. In particular, the Company may not grant any Option during the period commencing one month immediately before the earlier of (a) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and (b) the last date on which the Company must announce its results for any year, half-year or any other interim period, including any period of delay in publishing the results announcement (whether or not required under the Listing Rules), and ending on the date of the results announcement. The Directors may not grant any Option to a participant who is subject to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the period or times in which such participants is prohibited from dealing in Shares pursuant to such code.

(11) PERIOD OF THE NEW SHARE OPTION SCHEME

Subject to the New Share Option Scheme becoming unconditional, it will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted unless it is terminated by a resolution passed in a general meeting of the Company.

(12) RIGHTS ON CEASING EMPLOYMENT

If the grantee of an Option is an Employee Participant or, as the case may be, a Related Party Participant and ceases to be an Employee Participant or, as the case may be, a Related Party Participant for any reason other than death, ill-health or retirement in accordance with his contract of employment or for persistent or serious misconduct or other grounds referred to in sub-paragraph (14) below before exercising his Option in full, the Option (to the extent not yet vested or exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent vested but not yet exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and shall lapse on the date of cessation or termination of employment.

(13) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the grantee of an Option is an Employee Participant or, as the case may be, a Related Party Participant and ceases to be an Employee Participant or, as the case may be, a Related Party Participant by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine. In respect of those Options that have been vested but the performance targets stated in the Offer have not been satisfied, the Directors may, by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the grantee or, his personal representative(s), may exercise such number of Options and within such time as the Directors may consider appropriate, subject to any conditions or limitations as they may impose. For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall be forfeited and shall lapse on the date of cessation of employment.

(14) RIGHTS ON DISMISSAL

If the grantee of an Option is an Employee Participant or, as the case may be, a Related Party Participant ceases to be an Employee Participant or, as the case may be, a Related Party Participant, by reason that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy, has become insolvent, has made any arrangement or composition with his creditors generally, 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 (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the eligible employee's service contract with the Company or the relevant subsidiary of the Company or the relevant related entity, his Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Employee Participant or a Related Entity Participant.

(15) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (a)(i) the grantee of any Option (other than an Employee Participant or a Related Entity Participant) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group on the other part; or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of his relations with the Group or by other reason whatsoever; and (b) the Option granted to the grantee under the New Share Option Scheme shall lapse, his Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(16) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If 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 the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall, subject to vesting, be entitled to exercise his Option (to the extent not yet exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), 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 day as it gives notice of the meeting to the Shareholders or creditors to consider such scheme or arrangement, and thereupon any grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option (to the extent vested but not yet exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the grantee in the same position as nearly as he would have been had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

(17) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the grantee may, subject to the provisions of all applicable laws and subject to vesting, by notice in writing to the Company at any time not less than two business days prior to the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not yet exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(18) GRANTEE BEING A COMPANY WHOLLY OWNED BY ELIGIBLE PARTICIPANTS

If the grantee or the holder of the Option(s) is a company wholly-owned by one or more Eligible Participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the relevant grantee and to the Options granted to such grantee, mutatis mutandis, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and
- (b) the Options granted to the relevant grantee shall lapse and determine on the date such grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(19) ADJUSTMENTS TO THE OUTSTANDING OPTIONS

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Share Option Scheme and the Option so far as unexercised and/or the exercise price of the Option concerned, provided that:

- (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration;
- (ii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring adjustment; and
- (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial advisers must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision(s) of the Listing Rules. Unless otherwise stipulated by the applicable laws, the effective date of any adjustment in accordance with the provisions of the New Share Option Scheme shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to above, the day on which the Shares relating to such event are issued or, as the case may be, created.

(20) CANCELLATION OF OPTIONS

Subject to Chapter 17 of the Listing Rules and except for the cancellation of any Options pursuant to paragraph (7) or (22) any cancellation of Options granted but not exercised must be subject to the consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and grants new Options to the same grantee, the grant of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the Scheme Mandate Limit (and the Service Provider Sublimit) or the new limits approved by the Shareholders pursuant to sub-paragraphs (3)(b) and (d) above.

(21) TERMINATION OF THE NEW SHARE OPTION SCHEME

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

(22) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the grantee and, subject to the applicable provisions of the Listing Rules, shall not be transferable or assignable. Any breach of the foregoing by a grantee shall entitle the Company to cancel the Options granted (to the extent not already exercised).

(23) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; or (b) the expiry of the periods or dates referred to in paragraphs (12), (13), (14), (15), (16), (17) and (18).

(24) OTHERS

- (a) The New Share Option Scheme is conditional on the passing of the necessary resolution to approve and adopt the New Share Option Scheme in a general meeting of the Company and the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, such number being the Scheme Mandate Limit.

- (b) The provisions of the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees of the New Share Option Scheme except with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the bye-laws for the time being of the Company for a variation of the rights attached to the Shares.
- (c) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the options or awards must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (d) Any change to the terms of Options granted to a Grantee must be approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the terms of the New Share Option Scheme.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF AGM



Power Financial Group Limited **權威金融集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Power Financial Group Limited (“**Company**”) will be held at 10:00 a.m. on Friday, 16 June 2023 at 2102, 21/F., World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company, the report of the directors (“**Directors**”, each a “**Director**”) and the independent auditor’s report of the Company for the year ended 31 December 2022.
2. (A) To re-elect Mr. Li Wing Cheong as an executive Director;

(B) To re-elect Mr. Tong Hin Jo as an executive Director;

(C) To re-elect Ms. Chan Lai Ping as an independent non-executive Director;

(D) To authorise the board of directors of the Company (“**Board**”) to fix the directors’ remuneration.
3. To re-appoint CCTH CPA Limited as the auditor of the Company and to authorise the Board to fix their remuneration.

NOTICE OF AGM

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to repurchase (or agree to repurchase) its shares in the share capital of the Company (each, a “**Share**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, be and generally the same is hereby and unconditionally approved;
- (b) the Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this resolution.”

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5. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued shares in the capital of the Company (each, a “**Share**”) and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of: (i) a Rights Issue (as defined below); or (ii) the exercise of any option granted under any share option scheme or similar arrangements adopted by the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants, convertible bonds, debentures, notes or any securities issued by the Company which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of issued Shares as at the date of passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares as at the date of passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same; and

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(e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this resolution;

“**Rights Issue**” means an offer of Shares, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 6. “**THAT** conditional upon the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company (“**Directors**”) pursuant to resolution numbered 5 above be and is hereby extended by the addition to the number of shares of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the number of shares of the Company repurchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 4 above.”
- 7. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval of the listing of, and permission to deal in, the ordinary shares of the Company (“**Shares**”) to be issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (“**New Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 22 May 2023 (“**Circular**”) (a copy of the Circular having been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification)), the rules of the New Share Option Scheme (a copy of which having been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved and adopted and that the board of directors of the Company or a committee thereof be and is authorised to:
 - (a) administer the New Share Option Scheme under which options will be granted to eligible participants under the New Share Option Scheme to subscribe for Shares;

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- (b) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
 - (c) grant options under the New Share Option Scheme and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of such options under the New Share Option Scheme in each case, subject to the Scheme Mandate Limit and, as appropriate and applicable, the Service Provider Sublimit (as each such term is defined in the Circular); and
 - (d) take all such steps as may be necessary, desirable or expedient to give effect to the New Share Option Scheme.”
8. “**THAT** conditional upon resolution no. 7 set out in this notice having become unconditional, the Service Provider Sublimit (as defined in the New Share Option Scheme) on the initial total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company (i.e. 1% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the board of directors of the Company or a committee thereof be and is hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as it may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

9. “**THAT** subject to and conditional upon the entry of “Minerva Group Holding Limited” as the new English name of the Company in the register maintained by the Registrar of Companies in Bermuda and the issue of a certificate of incorporation on change of name by the Registrar of Companies in Bermuda, the English name of the Company be changed from “Power Financial Group Limited” to “Minerva Group Holding Limited”, and the Chinese name “權威金融集團有限公司” be ceased to be registered as the secondary name in Chinese of the Company and the new Chinese name “贏集團控股有限公司” be adopted for identification purpose only with effect from the date of registration as set out in the certificate of incorporation on change of name issued by the Registrar of Companies in Bermuda, and that any one director of the Company be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where appropriate, which he/she may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the change of the name of the Company and to attend to any necessary registration and/or filing for and on behalf of the Company.”

By order of the Board
Power Financial Group Limited
Mr. Li Wing Cheong
Chairman

Hong Kong, 22 May 2023

NOTICE OF AGM

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 1804A, 18/F.
Far East Finance Centre
16 Harcourt Road
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member. If more than one proxy or, representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or representative is so appointed.
2. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. For the purpose of ascertaining the shareholders who are entitled to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the Meeting, all transfer documents, together with the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Monday, 12 June 2023.
4. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by 10:00 a.m. (Hong Kong time) on Wednesday, 14 June 2023 or not less than 48 hours before the time appointed for holding any postponed or adjourned meeting.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting or any postponement or adjournment thereof should he/she so wish, and in such case, the instrument appointing a proxy previously submitted shall be deemed to be revoked.
6. The above resolutions put to vote at the Meeting will be decided by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
7. If a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at or at any time after 11:00 a.m. on the date of the meeting, the meeting will be postponed automatically. The Company will post an announcement on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.powerfinancial.com.hk>) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors are Mr. Li Wing Cheong and Mr. Tong Hin Jo; and the independent non-executive Directors are Ms. Chan Lai Ping; Ms. Tam Mei Chu; and Mr. Ho Yuen Tung.