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

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

**If you have sold or transferred** all your securities in Culturecom Holdings Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CULTURECOM HOLDINGS LIMITED**

文化傳信集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00343)**

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

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A notice convening the annual general meeting of Culturecom Holdings Limited to be held at Empire Room I, 1/F, Empire Hotel Hong Kong – Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Tuesday, 29 August 2023 at 10:30 a.m. is set out on pages 43 to 47 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website ([www.culturecom.com.hk](http://www.culturecom.com.hk)).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

\* for identification purpose only

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## **RESPONSIBILITY STATEMENT**

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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 and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Empire Room I, 1/F, Empire Hotel Hong Kong – Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong, on Tuesday, 29 August 2023 at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 43 to 47 of this circular and at any adjournment thereof;
“associate(s)”	has the meaning as defined in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“Bye-laws”	the Bye-laws of the Company as amended and restated from time to time, and “Bye-law” shall mean a bye-law of the Bye-laws;
“close associate(s)”	has the meaning as defined in the Listing Rules;
“Company”	Culturecom Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Main Board of the Stock Exchange;
“Companies Act”	the Companies Act 1981 of Bermuda;
“connected person(s)”	has the meaning as defined in the Listing Rules;
“core connected person(s)”	has the meaning as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Eligible Participants”	(a) the Employee Participant(s);  (b) the Related Entity Participant(s); and  (c) the Service Provider(s),  provided that the Board may have absolute discretion to determine whether or not one falls within the above category;

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## DEFINITIONS

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“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group);
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 12 August 2013;
“General Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with new Shares not exceeding 20% of the number of the issued Shares as at the date of passing the relevant resolution granting such mandate by the Shareholders and the extension of the same by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“inside information”	has the meaning defined in the SFO as amended from time to time;
“Latest Practicable Date”	12 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Committee”	has the meaning as defined in the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme to be adopted by the Company;
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme;
“Offer Date”	the date on which an Offer is made to an Eligible Participant(s);
“Options”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) under the New Share Option Scheme;

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## DEFINITIONS

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“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option Granted to such Grantee (to the extend not already exercised);
“Related Party Participant(s)”	directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company;
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the powers of the Company to repurchase up to a maximum of 10% of the number of the issued Shares as at the date of passing the relevant resolution granting such mandate by the Shareholders;
“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any contractor, supplier, agent, consultant, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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## LETTER FROM THE BOARD

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# CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00343)

*Executive Directors:*

Mr. Kwan Kin Chung (*Managing Director*)

Mr. Yuen Kin

*Non-executive Directors:*

Mr. Wong Kon Man Jason (*Chairman*)

Dr. Liu Ka Ying Rebecca (*Vice Chairman*)

*Independent non-executive Directors:*

Mr. Wong Kwan Kit

Mr. Fan Chun Wah Andrew

Mr. Mung Yat Lik

*Registered Office:*

Victoria Place, 5th Floor,

31 Victoria Street,

Hamilton HM 10 Bermuda

*Principal Office:*

Suite 1502, 15/F.,

Far East Finance Centre,

16 Harcourt Road,

Admiralty, Hong Kong

19 July 2023

*To the Shareholders*

Dear Sir/Madam,

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

### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the General Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of the General Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of Directors; and (v) the proposed adoption of the New Share Option Scheme.

\* for identification purpose only



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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 23 August 2022, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of the General Mandates and the Repurchase Mandate to the Directors:

- (a) to allot, issue or deal with Shares of an aggregate number of up to 20% of the number of the issued Shares on the date of passing of such resolution;
- (b) to repurchase on the Stock Exchange up to 10% of the number of the issued Shares on the date of passing of such resolution; and
- (c) to extend the General Mandate by an amount representing the aggregate number of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The General Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 5 and 6 set out in the notice of the Annual General Meeting. With reference to the Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares.

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 granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix I to this circular.

### 3. RE-ELECTION OF DIRECTORS

According to Bye-laws 101 of the Bye-laws, Dr. Liu Ka Ying Rebecca who was appointed on 13 January 2023 to fill a casual vacancy of the Board shall retire from office at the Annual General Meeting, and being eligible, offer herself, for re-election.

According to Bye-laws 110(A) of the Bye-laws, Mr. Kwan Kin Chung and Mr. Mung Yat Lik shall retire from office by rotation at the Annual General Meeting, and being eligible, offer themselves, for re-election.

Particulars relating to each of Dr. Liu Ka Ying Rebecca, Mr. Kwan Kin Chung and Mr. Mung Yat Lik which are required to be disclosed by the Listing Rules are set out in the Appendix II to this circular.

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## LETTER FROM THE BOARD

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### 4. ADOPTION OF THE NEW SHARE OPTION SCHEME

#### Expiration of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted on 12 August 2013. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and remain effective until 11 August 2023, being 10 years after the adoption date of the Existing Share Option Scheme. As at the Latest Practicable Date, there were 14,000,000 share options granted under the Existing share Option Scheme, which remain outstanding or unexercised. Details of the outstanding or unexercised share options under the Existing Share Option Scheme are as follows:

Name and/ or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period	Exercise price per Shares (HK\$)
Wong Kon Man Jason – Chairman, non-executive Director	27 April 2022	8,000,000	27 April 2022 to 26 April 2025	0.72
Consultant of the Group <sup>(Note)</sup>	27 April 2022	6,000,000	27 April 2022 to 26 April 2025	0.72

*Note:* The grantee is a consultant of a subsidiary of the Company providing corporate development and other related corporate services.

Save for the Existing Share Option Scheme, the Company has no other existing share schemes under Chapter 17 of the Listing Rules as at the Latest Practicable Date.

#### Adoption of the New Share Option Scheme

In view of the Existing Share Option Scheme will soon be expired and in order to provide appropriate equity incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group, the Board proposes the adoption of the New Share Option Scheme.

The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the eligible Participants an opportunity to have a personal stake in the Company which will help motivate the Eligible Participants in optimizing their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

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## LETTER FROM THE BOARD

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Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Providers. In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (d) the amount of support, assistance, guidance, advice, effort and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining the basis of eligibility of each Employee Participant, the Board will take into account (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

In determining the basis of eligibility of each Related Entity Participant, the Board will take into account (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (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 or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

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## LETTER FROM THE BOARD

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

<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
Supplier	<p>Service Providers under this category include suppliers of services, including but not limited to vendors for publishing services, printing services, marketing services, logistics and delivery services, information technology and technical supporting services, book sellers, e-commerce companies and social media platforms' associates, who/which support the Group's businesses of:</p> <p>(a) publication of comic books and intellectual properties licensing;</p> <p>(b) provision of digital marketing and communication, intellectual properties digitalization and intellectual properties agency services;</p> <p>(c) retail and wholesale of wine products; and/or</p> <p>(d) other businesses carried out by the Group from time to time (<b>collectively, the "Group's businesses"</b>).</p>	<p>The Board will take into account, amongst others:</p> <p>(a) the nature, reliability and quality of the services supplied in relation to the Group's businesses;</p> <p>(b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses;</p> <p>(c) the frequency of collaboration within each contract term and length of business relationship with the Group;</p> <p>(d) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</p>

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**LETTER FROM THE BOARD**

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
		<p>(e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry;</p> <p>(f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and</p> <p>(g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services supplied and/or provided by such supplier.</p>

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## LETTER FROM THE BOARD

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
Contractor, agent, consultant, adviser and/or business partners	<p>Service Providers under this category include independent contractors, agents, consultants, advisers and/or business partners who/which provided:</p> <ul style="list-style-type: none"> <li>(a) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers;</li> <li>(b) legal related or other professional services;</li> <li>(c) marketing services in respect of the Group's businesses;</li> <li>(d) technical and information technology services;</li> <li>(e) intellectual properties digitalization technology services;</li> <li>(f) operation management consulting services;</li> <li>(g) product design services;</li> <li>(h) any other direct or ancillary services desirable or necessary in support of the Group's businesses;</li> </ul>	<p>The Board will take into account, amongst others:</p> <ul style="list-style-type: none"> <li>(a) the individual performance of the relevant contractor, agent, consultant, adviser and/or business partner based on specific criteria determined by the Board from time to time;</li> <li>(b) their knowledge, experience and network in the relevant industry;</li> <li>(c) the frequency of collaboration within each contract term and length of their business relationship with the Group;</li> <li>(d) whether the frequency of the services provided by a Service Provider is akin to that of its employees;</li> <li>(e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li>(f) the background, credentials and experiences of the relevant contractor, agent, consultant and/or adviser;</li> </ul>

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## LETTER FROM THE BOARD

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
	or helped maintained or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialized skills and/or knowledge to the benefit and development of the Group's businesses.	<p>(g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant, adviser and/or business partner could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, agent, consultant, adviser and/or business partner; and</p> <p>(h) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant, adviser and/or business partner, and/or the synergy between the relevant contractor, agent, consultant, adviser and/or business partner and the Group.</p>

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

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## LETTER FROM THE BOARD

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The Company considers that the inclusion of non-employees, including Related Party Participants and Service Providers, recognizes the past and future contribution of such non-employees, whose effort and co-operation with the Company have been instrumental in the development and continued success of the Group's businesses. In particular, Service Providers possess specialized skills or industry-specific knowledge and may provide to the Group the necessary technical support and strategic advice which may benefit the Group its future business growth. On the other hand, the Group has also maintained close working relationship with Related Entity Participants, such as senior management of the Company's fellow subsidiaries and associated companies, providing and enabling the Group to expand its business connections and allowing the Group to capture new business opportunities. Hence, the Board (including the independent non-executive Directors) is also of the view that the wider scope of Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme and provides flexibility to the Company as a means of incentivizing or rewarding persons outside of the Group to contribute to its long-term success.

Based on the above, the Board considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

### **Conditions Precedent of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Listing Committee granting approval for the listing of and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the New Share Option Scheme and authorizing the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board may at its discretion and on a case by case basis specify any condition in the offer letter of the grant of the relevant Option which must be satisfied before an Option may be exercised including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Grantee under the New Share Option Scheme, and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements of the New Share Option Scheme;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of the New Share Option Scheme;



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## LETTER FROM THE BOARD

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- (c) conditions, restrictions or limitations relating to the achievement of operating or financial targets before an Option can be exercised;
- (d) if applicable, the satisfactory performance of certain obligations by the Grantee; and
- (e) clawback mechanism for the Company to recover or withhold any Options granted to any Grantee, whether in the event of serious misconduct, of the Grantee, a material misstatement in the Company's financial statements or other circumstances.

Save for specific circumstances as prescribed in paragraph 5 of Appendix III to this circular where the Board may at its discretion grant a shorter vesting period to an Employee Participant, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

Further, save as determined by the Board on a case by case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, the New Share Option Scheme does not stipulate general performance targets a Grantee is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme, nevertheless, the Board may impose performance targets on a case-by-case basis. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant as each Grantee will play a different role and contribute in different ways to the long-term development of the Group. As such, providing the Board with the discretion to impose specific performance targets as and when appropriate depending on the role of each Eligible Participant will facilitate the Board in offering meaningful incentives to attract and retain quality and high calibre personnel that are valuable to the development of the Group.

Where performance targets are to be imposed upon Grantees in the relevant offer letter of 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, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

### **Maximum number of Shares subject to the New Share Option Scheme**

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the number of issued Shares was 1,668,656,816 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 166,865,681 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the New Share Option Scheme.

The sublimit on the total number of Shares which may be issued in respect of all Options to be granted to Service Providers (the “**Service Provider Sublimit**”) under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company will be 50,059,704 Shares, representing approximately 3% of the total number of Shares in issue on the date of approval of the New Share Option Scheme.

The basis for determining the Service Provider Sublimit takes into account the potential dilution effect arising from grants to Service Providers, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group’s revenue or profits which is attributable to the Service Providers and the extent of contributions of the Service Provider to the Group’s business. Considering that (a) the sublimit of 3% would not lead to excessive dilution of the existing Shareholders’ shareholdings; (b) there is no other share schemes of the Company involving a grant of options over new Shares to the Service Providers; (c) the historical practice of the Group in granting options to the Service Providers whom provide services akin to employees of the Group; and (d) the Service Providers have contributed and will continue to contribute to the long-term growth of the Group’s businesses, and that the New Share Option Scheme could incentivise the Service Providers to continue to support and/or cooperate with the Company on a long-term basis. For example, the Services Providers may include seasoned people in its respective fields and professionals with extensive knowledge and experience desirable for the Group’s businesses and/or with business connections whom the Group may not be able to recruit as employees, it is also in line with industry norms for the Group to engage/cooperate with such Service Providers. Considering the Service Providers’ past and future contribution, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

The Service Provider Sublimit is subject to the separate approval of the Shareholders at the AGM. None of the Directors is and will be trustees of the New Share Option Scheme nor has a direct or indirect interest in the trustee. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the adoption of the New Share Option Scheme at the AGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### **Explanation of the terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

Save for the circumstances prescribed in paragraph 5 of Appendix III to this circular where the Board may at its discretion grant a shorter vesting period to an Employee Participant, the vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months.

Further, to ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not be sufficient to secure the long-term contribution of the Grantees and development of the Group; and (b) 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 additional vesting conditions such as extended vesting period and/or performance-based vesting conditions on top of the minimum vesting period of twelve (12) months, depending on individual circumstances.

As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 5 of Appendix III to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

### **Document on display**

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.culturecom.com.hk](http://www.culturecom.com.hk) for a period of not less than 14 days before the date of the AGM and is also available for inspection at the AGM.

### **Application for Listing**

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

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## LETTER FROM THE BOARD

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### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of Annual General Meeting is set out on pages 43 to 47 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the General Mandate, the extension of the General Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, the re-election of Directors, and the proposed adoption of the New Share Option Scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website ([www.culturecom.com.hk](http://www.culturecom.com.hk)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

### 6. VOTING AT ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Bye-law 78 of the Bye-laws.

### 7. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 24 August 2023 to Tuesday, 29 August 2023 (both days inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the AGM. No transfer of Shares and/or exercise of the outstanding share options will be registered during this period. Shareholders whose name appear on the register of members of the Company on Tuesday, 29 August 2023 shall be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of the Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 23 August 2023.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders have a material interest in relation to the resolutions to be proposed at the Annual General Meeting and no Shareholders shall be required to abstain from voting at the Annual General Meeting.

An announcement on poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the granting of the General Mandate and the Repurchase Mandate, to issue and repurchase share, the re-election of Directors and the adoption of the New Share Option Scheme are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the Annual General Meeting.

### 9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Details of the Directors proposed to be re-elected at the Annual General Meeting) and Appendix III (Summary of Principal Terms of the New Share Option Scheme) of this circular.

Yours faithfully,  
On behalf of the Board  
**CULTURECOM HOLDINGS LIMITED**  
**Kwan Kin Chung**  
*Managing Director*

*The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.*

### **1. REASONS FOR REPURCHASE OF SECURITIES**

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of securities of the Company may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARES**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,668,656,816 Shares.

Subject to the passing of the ordinary resolution no. 5 set out in the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 166,865,681 Shares (representing approximately 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Repurchase Mandate remains in force.

### **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, the Bye-laws, the laws of Bermuda, and/or any other applicable laws.

The Company is empowered by its memorandum of association, the Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

#### 4. NO REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

#### 5. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 6. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, each of Mr. Dizon Basilio and Ms. Chow Lai Wah Livia was respectively deemed to be interested in 276,975,112 Shares and 276,975,112 Shares, representing approximately 16.60% and 16.60% of the Shares issued by the Company respectively. In the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the Repurchase Mandate, the shareholding of Mr. Dizon Basilio and Ms. Chow Lai Wah Livia will be increased to approximately 18.44% and 18.44% respectively of the issued share capital of the Company. The Board of Directors has no intention to exercise the Repurchase Mandate, and consider that such increase will not give rise to an obligation for the Shareholders to make a mandatory offer under Rule 26 of the Takeovers Code.

## 7. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

## 8. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

	<b>Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2022</b>		
July	0.265	0.237
August	0.300	0.234
September	0.325	0.244
October	0.415	0.255
November	0.630	0.370
December	0.510	0.400
<b>2023</b>		
January	0.490	0.395
February	0.520	0.445
March	0.495	0.425
April	0.475	0.415
May	0.435	0.350
June	0.450	0.340
July (up to the Latest Practicable Date)	0.420	0.360

## 9. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).



Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below.

**DR. LIU KA YING REBECCA, AGED 53, A NON-EXECUTIVE DIRECTOR****Experience and Length of service**

**Dr. Liu Ka Ying Rebecca (“Dr. Liu”)**, was appointed as a non-executive Director of the Company and as the Vice Chairman of the Board in January 2023. Dr. Liu possesses experience in fund management, finance, investment, as well as accounting and financial management, she is currently the senior vice president of Fortune (Shanghai) Limited. Dr. Liu is a member of the American Institute of Certified Public Accountants (AICPA), Illinois CPA Society (ICPAS) of the United States and Hong Kong Institute of Certified Public Accountants (HKICPA). Dr. Liu obtained a double bachelor’s degree in Business Administrative Studies from York University, Canada with major in management and in accounting (with honour) in 1992 and 1994, respectively. She also obtained a doctoral’s degree in business administration from Victoria University of Switzerland in November 2011. Dr. Liu is also a member of the Hong Kong Institute of Bankers, Association of Women Accountants (Hong Kong) Limited, and Hong Kong Professionals and Senior Executives Association. She was also a former member of the Tenth and the Eleventh Jilin Provincial Committee of the Chinese People’s Political Consultative Conference.

From June 1996 to March 2002, Dr. Liu served as the general manager for the Asia and China region of The PRG-Schultz International, Inc., (a company listed on NASDAQ). In January 2007, Dr. Liu was appointed as the chief executive officer of AllPanther Asset Management Limited and has served at such position since then.

Dr. Liu is currently an independent non-executive Director of Logan Group Company Limited (stock code: 3380) (previous company name is Logan Property Holdings Company Limited), SITC International Holdings Company Limited (stock code: 1308) and Renaissance Asia Silk Road Group Limited (stock code: 274), all of which are companies listed on the Main Board of the Stock Exchange.

Dr. Liu has entered into a service agreement with the Company for an initial term of three years commencing from the date of her appointment. She will be entitled to a monthly payment of HK\$40,000 in consideration for her performance as a non-executive Director and an additional directors’ fee of HK\$10,000 as the chairman of Board respectively.

**Positions held with the Company and other members of the Group**

Save as disclosed above, Dr. Liu does not hold any other position with the Company and other members of the Group.

**Other directorships held in listed public companies**

Save as disclosed above, Dr. Liu has not held any other directorship in other listed public companies in the last three years.

**Relationships**

Other than being the sister of Dr. Liu Hin Wang, Leris, the chief executive officer of the Company, Dr. Liu does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in securities**

As at the Latest Practicable Date, Dr. Liu did not have any interests or short position in the Shares or underlying Shares in the Company within the meaning of Part XV of the SFO.

**Director's emoluments**

During the financial year ended 31 March 2023, Dr. Liu has signed a 3-years service agreement with the Company and Dr. Liu is entitled to a director's fee of HK\$26,000 and director's emoluments of HK\$105,000 for the above positions, which is determined by reference to her duties and responsibilities with the Company.

**Matters that need to be brought to the attention of the Shareholders**

There are no other matters that need to be brought to the attention of the Shareholders. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the re-election of Dr. Liu as a non-executive Director.

**MR. KWAN KIN CHUNG, AGED 54, AN EXECUTIVE DIRECTOR****Experience and Length of service**

**Mr. Kwan Kin Chung** ("Mr. Kwan"), joined the Group in 1998 and was appointed as an executive Director and the Managing Director of the Company in March 2008, Mr. Kwan is the Chairman of the Corporate Governance Committee of the Company and is a director of certain subsidiaries of the Group. Mr. Kwan held the position as the vice president of the Group from 1998 to 2002 and was appointed as an acting Chief Executive Officer of the Company in April 2007. During the period of serving as the Vice President of the Group, Mr. Kwan was also the vice publisher of Tin Tin Daily News where he gained wealth of experience in media industry. He holds a Bachelor Degree of Arts in Economics from Zhongshan University, Guangzhou, PRC. Mr. Kwan has extensive experience in businesses restructuring and corporate investment.

**Positions held with the Company and other members of the Group**

Save as disclosed above, Mr. Kwan does not hold any other position with the Company and other members of the Group.

**Other directorships held in listed public companies**

Save as disclosed above, Mr. Kwan has not held any other directorship in other listed public companies in the last three years.

**Relationships**

Mr. Kwan does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in securities**

As at the Latest Practicable Date, Mr. Kwan did not have any interests or short position in the Shares or underlying Shares in the Company within the meaning of Part XV of the SFO.

**Director's emoluments**

Mr. Kwan has an employment contract with the Company. During the financial year ended 31 March 2023, Mr. Kwan received director's fee of HK\$120,000 and director's emolument of HK\$556,000 for the above positions, which is determined by reference to his duties and responsibilities with the Company.

**Matters that need to be brought to the attention of the Shareholders**

There are no other matters that need to be brought to the attention of the Shareholders. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the re-election of Mr. Kwan as Executive Director.

**MR. MUNG YAK LIK, AGED 65, AN INDEPENDENT NON-EXECUTIVE DIRECTOR****Experience and length of service**

**Mr. Mung Yat Lik, ("Mr. Mung")**, was appointed as an independent non-executive Director of the Company in December 2018. Mr. Mung is a member of the Audit Committee of the Company.

He has 34 years of experience in investment management, tourism, logistics and investment property. In particular, he has extensive experience in cooperation with state-owned enterprises in investment and operations, as well as cable media management. Mr. Mung acted as the Vice President and general manager of Guangdong Southern Yinshi Cable Media Company Limited (廣東南方銀視網絡傳媒有限公司) and as a director of Hoteline Network Limited. Mr. Mung is currently the Managing Director of Guangdong Guoye Greenhouse Technology Limited (廣東國葉綠屋科技有限公司), the Vice President and investment director of Xiamen Xinyou Logistics Company Limited\* (廈門鑫友物流有限公司) and the Vice President and investment director of Shenxing (Hainan) Travel Limited (神行(海南)旅行社有限公司).

**Positions held with the Company and other members of the Group**

Save as disclosed above, Mr. Mung does not hold any other position with the Company and other members of the Group.

**Other directorships held in listed public companies**

Save as disclosed above, Mr. Mung has not held any other directorships in other listed public companies in the last three years.

**Relationships**

Mr. Mung does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in securities**

As at the Latest Practicable Date, Mr. Mung did not have any interests or short position in the Shares or underlying Shares in the Company within the meaning of Part XV of the SFO.

**Director's emoluments**

There is no service contract entered between the Company and Mr. Mung. During the financial year ended 31 March 2023, Mr. Mung received director's fee of HK\$240,000 which is determined by reference to his duties and responsibilities with the Company.

**Matters that need to be brought to the attention of the Shareholders**

There are no other matters that need to be brought to the attention of the Shareholders. There are no other matters that is required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the re-election of Mr. Mung as Independent Non-executive Director.

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

**1. PURPOSE**

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

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

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

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

Eligible Participants for the New Share Option Scheme include:

- (a) Employee Participant(s) which include the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group);
- (b) Related Entity Participant(s) which include directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company; and

- (c) Service Provider(s) which include person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any contractor, supplier, agent, consultant, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

Provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

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

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (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 or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

In determining the basis of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; (i) the positive impact brought to the Group's business development by the Service Provider; and (j) such other factors as the Board may at its discretion considers appropriate.

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

**(1) Supplier**

Service Providers under this category include suppliers of services, including but not limited to vendors for publishing services, printing services, marketing services, logistics and delivery services, information technology and technical supporting services, book sellers, e-commerce companies and social media platforms' associates, who/which support the Group's businesses of (a) publication of comic books and intellectual properties licensing; (b) provision of digital marketing and communication, intellectual properties digitalization and intellectual properties agency services; (c) retail and wholesale of wine products; and/or (d) other businesses carried out by the Group from time to time (collectively, the "**Group's businesses**").

The Board will take into account, amongst others, (a) the nature, reliability and quality of the services supplied in relation to the Group's businesses; (b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (c) the frequency of collaboration within each contract term and length of business relationship with the Group; (d) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.



**(2) Contractor, agent, consultant, adviser and/or business partners**

Service Providers under this category include independent contractors, agents, consultants, advisers and/or business partners who/which provided (a) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (b) legal related or other professional services; (c) marketing services in respect of the Group's businesses; (d) technical and information technology services; (e) intellectual properties digitalization technology services; (f) operation management consulting services; (g) product design services; (h) any other direct or ancillary services desirable or necessary in support of the Group's businesses, or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the to the benefit and development of the Group's businesses.

The Board will take into account, amongst others, (a) the individual performance of the relevant contractor, agent, consultant, adviser and/or business partner based on specific criteria determined by the Board from time to time; (b) their knowledge, experience and network in the relevant industry; (c) the frequency of collaboration within each contract term and length of their business relationship with the Group; (d) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (f) the background, credentials and experiences of the relevant contractor, agent, consultant, adviser and/or business partner; (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant, adviser and/or business partner could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, agent, consultant, adviser and/or business partner; and (h) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant, adviser and/or business partner, and/or the synergy between the relevant contractor, agent, consultant, adviser and/or business partner and the Group.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.



**4. GRANT AND ACCEPTANCE OF OPTIONS**

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

An Offer shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case by case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his or her Personal Representative(s)) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

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

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

**5. VESTING PERIOD**

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

The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

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

**6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES**

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

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme.

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

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

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

#### 7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to the Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (c) and (d) below. As at the Adoption Date (assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date), the total number of Shares issuable under the Scheme Mandate Limit is 166,865,681 Shares, representing approximately 10% of the issued share capital of the Company as at the Adoption Date. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equivalent to 3% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (i.e. the “**Service Provider Sublimit**”). As at the Adoption Date (assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date), the total number of Shares issuable under the Service Provider Sublimit is 50,059,704 Shares, representing approximately 3% of the issued share capital of the Company as at the Adoption Date.

- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules and any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting.
- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

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

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

Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and

all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules.

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

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

## **9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

For any twelve (12)-month period up to and including the date of grant of Options, the aggregate number of Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) shall not in aggregate exceed 1% of the total number of Shares in issue as at the date of grant. Where the grant of Options to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) would result in the number of Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participants in the twelve (12)-month period up to and including the date of grant of Options representing in aggregate in excess of 1% of the total number of Shares in issue as at the date of grant, such grant of Options shall be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

**10. TIME OF EXERCISE OF OPTIONS**

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

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. Where performance targets are to be imposed upon Grantees in the relevant offer letter of 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, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Furthermore, save for the clawback mechanisms in the event where (i) an Option is sold, transferred, charged, mortgaged, encumbered or any interest is created or an agreement to create any interest in favour of any third party is entered into; (ii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reasons set out in paragraph 13; (iii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of his or her death as set out in paragraph 14; (iv) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as set out in paragraph 15; (v) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than as set out in paragraphs 13 to 15; and (vi) the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant due to a breach of contract under the reasons set out in paragraph 17, there is no clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

**11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

Grant of Options may not be made:

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

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

**12. RIGHTS ARE PERSONAL TO GRANTEES**

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

**13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

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



**14. RIGHTS ON DEATH**

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph 13 above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs 18 to 20 respectively.

**15. RIGHTS ON ILL-HEALTH OR RETIREMENT**

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, he or she may exercise the Option pursuant to paragraphs 18 to 20 respectively.

**16. RIGHTS ON CESSATION FOR OTHER REASONS**

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

**17. RIGHTS ON BREACH OF CONTRACT**

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

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



**18. RIGHTS ON A GENERAL OFFER**

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

**19. RIGHTS ON WINDING-UP**

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

**20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

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

Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

*Note:* Where any event under paragraphs 14, 18, 19 and 20 applies, no such Shares shall be allotted and issued to a Grantee who is not an employee or a director of the Group in respect of any Options granted within twelve (12) months.

## **21. CANCELLATION OF OPTIONS**

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

## **22. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares subject to the New Share Option Scheme or any Option so far as such Option remains unexercised; and/or (ii) the Subscription Price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable (other than in the case of capitalisation issue), provided that any such adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he or she would have been entitled to subscribe had he or she exercised all the Options held by him or her immediately prior to such event and the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and the issue of securities of the Company for cash (save and except for rights issue) or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

**23. RANKING OF SHARES**

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

**24. DURATION OF THE NEW SHARE OPTION SCHEME**

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

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

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board.

- (a) The provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

**26. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

**27. LAPSE OF OPTIONS**

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

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

**28. TERMINATION**

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

**29. MISCELLANEOUS**

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph 22 above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

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## NOTICE OF ANNUAL GENERAL MEETING

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### CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00343)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Culturecom Holdings Limited (the “**Company**”) will be held at Empire Room I, 1/F, Empire Hotel Hong Kong – Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Tuesday, 29 August 2023 at 10:30 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors of the Company (the “**Director(s)**”) and the auditors of the Company for the year ended 31 March 2023.
2. To confirm, ratify and approve the payment of Directors’ fee to Directors for the year ended 31 March 2023.
3.
  - (i) To re-elect Dr. Liu Ka Ying Rebecca as a non-executive Director;
  - (ii) To re-elect Mr. Kwan Kin Chung as an executive Director;
  - (iii) To re-elect Mr. Mung Yat Lik as an independent non-executive Director; and
  - (iv) To authorise the board (the “**Board**”) of Directors to fix the remuneration of the Directors.
4. To re-appoint Gary Cheng CPA Limited as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its securities, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
  - (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the issued shares of the Company on the date of passing of this resolution and the said approval shall be limited accordingly; and
  - (c) 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the total number of the issued shares of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions 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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”



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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice convening the Annual General Meeting, the general mandate referred to in resolution no. 6 above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number representing the aggregate number of shares repurchased by the Company pursuant to the mandate referred to in resolution no. 5 above, provided that such number shall not exceed 10% of the aggregate number of the issued shares of the Company on the date of the passing of this resolution.”

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to the Annual General Meeting and marked “A” and initialed by the chairman of the Annual General Meeting for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme; and
- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution.”

9. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the New Share Option Scheme of the Company being approved and adopted by way of ordinary resolution of the Company numbered 8 above, the sublimit

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## NOTICE OF ANNUAL GENERAL MEETING

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on the 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 of 3 per cent. of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”

By Order of the Board  
**CULTURECOM HOLDINGS LIMITED**  
**Kwan Kin Chung**  
*Managing Director*

Hong Kong, 19 July 2023

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

*Principal Office:*  
Suite 1502, 15/F.,  
Far East Finance Centre,  
16 Harcourt Road,  
Admiralty, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her/it. A proxy need not be a member of the Company.
2. A member entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or (if the member is a holder of two or more shares) more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Annual General Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or authority must be deposited at the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before (i.e. 10:30 a.m., Sunday, 27 August 2023) the time of the Annual General Meeting or any adjourned meeting.
4. The principal register of members and the branch registers of members of the Company will be closed from Thursday, 24 August 2023 to Tuesday, 29 August 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m., Wednesday, 23 August 2023.
5. If typhoon signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the Annual General Meeting, the Annual General Meeting will be postponed. The Company will publish an announcement on the website of the Company at [www.culturecom.com.hk](http://www.culturecom.com.hk) and on the "Latest Listed Company Information" page of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
6. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the annual general meeting of the Company and in such event, the instrument appointing a proxy shall be deemed to be revoked.