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

If you have sold or transferred all your shares in Lai Si Enterprise Holding Limited 黎氏企業控股有限公司, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
(3) TERMINATION OF THE 2017 SHARE OPTION SCHEME AND ADOPTION
OF THE 2024 SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Lai Si Enterprise Holding Limited 黎氏企業控股有限公司 to be held at Meeting Room, 1/F, Lai Si Enterprise Centre, Rua da Ribeira do Patane No. 54, Macau on Tuesday, 25 June 2024 at 2:00 p.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Sunday, 23 June 2024) or the adjourned meeting (as the case may be). 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.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.lai-si.com>).

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DEFINITIONS

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

“2017 Share Option Scheme”	the share option scheme adopted by the Company pursuant to the written shareholders’ resolutions passed on 18 January 2017 with effect from 10 February 2017, the date on which the Shares were listed on the Main Board of the Stock Exchange
“2024 Share Option Scheme”	means the share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“Adoption Date”	means the date (which is expected to be the date of the Annual General Meeting) on which the 2024 Share Option Scheme will be adopted by the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room, 1/F, Lai Si Enterprise Centre, Rua da Ribeira do Patane No. 54, Macau on Tuesday, 25 June 2024 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 42 to 47 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“clawback”	means, in respect of any options granted to a selected participant, the repayment of money in relation to all or a specified part of such options, option Shares allotted and issued upon exercises of such options by such selected participant and/or the ceasing or variation of the selected participant’s entitlement to receive or be vested with all or a specified part of any such options which have not yet been vested in the selected participant
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Lai Si Enterprise Holding Limited 黎氏企業控股有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“eligible participant(s)”	in respect of the 2024 Share Option Scheme, any employee participant(s), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“employee(s)”	in relation to a company, its full-time or part-time employee(s), or person(s) for the time being seconded to work full-time or part-time for such company
“employee participant(s)”	director(s) or employee(s) of the Company or any of its subsidiaries (including a person who is granted options under the any share schemes of the Company as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“exercise price”	the price per Share at which a grantee may subscribe for a Share upon the exercise of an option pursuant to any share option schemes of the Company (including the 2024 Share Option Scheme)
“grant date”	the date of the Board resolution approving the grant of options, which must be a business day
“grant letter”	an offer letter specifying the details of the grant of options by the Board
“grantee(s)”	means any selected participant(s) who accepts the offer of the grant of option(s) in accordance with the rules of any share schemes of the Company (including the 2024 Share Option Scheme) or (in the case of selected participant(s) being individual(s) and where the context so permits) the legal personal representative(s) entitled to any such options in consequence of the death of the relevant selected participant(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“holding company”	has the meaning ascribed to it under the Listing Rules
“Hong Kong” or “Hong Kong SAR”	the Hong Kong Special Administrative Region of the People’s Republic of China

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“inside information”	has the meaning ascribed to it under the Listing Rules
“Latest Practicable Date”	19 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Memorandum and Articles of Association”	Memorandum of Association and Articles of Association
“MOP”	Macau patacas, the lawful currency of Macau
“option(s)”	option(s) to subscribe for Share(s) granted pursuant to any share option schemes of the Company (including the 2024 Share Option Scheme) and for the time being subsisting
“option Share(s)”	Share(s) to which any particular option relates
“Other Schemes”	schemes involving the grant of awards or options over Shares of the Company, other than the 2024 Share Option Scheme
“related entity(ies)”	any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme and any Other Schemes of the Company
“selected participant(s)”	any eligible participant(s) selected by the Board for participation in any share schemes of the Company (including the 2024 Share Option Scheme)
“SFO”	the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company

DEFINITIONS

“Share Issue Mandate”	a general and unconditional mandate to be granted to the Directors to issue, allot or deal with unissued Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5(ii) of the notice of the Annual General Meeting as set out on pages 42 to 47 of this circular
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5(i) of the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplementary Guidance”	the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No. 072-2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time)
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission, as amended from time to time
“vesting date”	in respect of a grantee, the date on which his entitlement to the options are vested in such grantee
“vesting period”	in respect of an option, the minimum period for which an option must be held before it can be vested as the Board may in its absolute discretion determine
“%”	per cent

LETTER FROM THE BOARD

LS 黎氏建築
Lai Si Construction
Lai Si Enterprise Holding Limited
黎氏企業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2266)

Executive Directors:

Mr. Lai Ieng Man (*Chairman*)
Mr. Lai Meng San (*Chief Executive Officer*)
Ms. Lai Ieng Wai
Ms. Cheong Weng Si

Independent non-executive Directors:

Mr. Siu Wing Hay
Mr. Chan Iok Chun
Dr. Liu Ting Chi

Registered Office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters in Macau:

Lai Si Enterprise Centre
Rua Da Ribeira Do Patane No. 54
Macau

*Principal Place of Business
in Hong Kong:*

9/F, Oriental Crystal Finance Centre
107-109 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

29 April 2024

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES,
(3) TERMINATION OF THE 2017 SHARE OPTION SCHEME AND ADOPTION
OF THE 2024 SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 25 June 2024.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(a) of the Articles of Association, one-third of the Directors for the time being shall retire at the Annual General Meeting. Accordingly, it was determined by the Board that Ms. Cheong Weng Si, Mr. Siu Wing Hay and Mr. Chan Iok Chun shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Separate resolutions will be proposed at the Annual General Meeting to re-elect the retiring Directors.

Mr. Siu Wing Hay and Mr. Chan Iok Chun, being the independent non-executive Directors eligible for re-election at the Annual General Meeting, each confirmed that he met the independence criteria as set out in Rule 3.13 of the Listing Rules.

Details of the retiring Directors who seek for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 June 2023, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5(i) of the notice of the Annual General Meeting (i.e. a total of 40,000,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 29 June 2023, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5(ii) of the notice of the Annual General Meeting (i.e. a total of 80,000,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Share Issue Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Share Issue Mandate.

5. TERMINATION OF THE 2017 SHARE OPTION SCHEME AND ADOPTION OF THE 2024 SHARE OPTION SCHEME

Reference is made to the Company's announcement dated 19 April 2024.

As at the Latest Practicable Date, the Company operates the 2017 Share Option Scheme. The 2017 Share Option Scheme allows the Company to grant options over new Shares to eligible participants. Save for the aforesaid, as at the Latest Practicable Date, the Company does not maintain any other share schemes.

Chapter 17 of the Listing Rules has been amended to govern share option schemes with effect from 1 January 2023. To bring the Company's share schemes in line with the new requirements of Chapter 17 of the Listing Rules, on 19 April 2024, the Company proposed to terminate the 2017 Share Option Scheme and adopt the 2024 Share Option Scheme.

The termination of the 2017 Share Option Scheme and the adoption of the 2024 Share Option Scheme are subject to, among others, Shareholders' approval at the Annual General Meeting.

Termination of the 2017 Share Option Scheme

Given that (i) it is proposed to adopt the 2024 Share Option Scheme at the Annual General Meeting; (ii) no options have been granted under the 2017 Share Option Scheme since its adoption; and (iii) the Company does not intend to grant any options under the 2017 Share Option Scheme before the adoption of the 2024 Share Option Scheme, the Board has resolved to terminate the 2017 Share Option Scheme, subject to the Shareholders' approval at the Annual General Meeting and pre-conditional upon the adoption of the 2024 Share Option Scheme.

Adoption of the 2024 Share Option Scheme

For the purpose of Chapter 17 of the Listing Rules, the 2024 Share Option Scheme will constitute a share scheme involving the grant by the Company of options over new Shares. Accordingly, the adoption of the 2024 Share Option Scheme will be subject to, among others, the Shareholders' approval at the Annual General Meeting.

The 2024 Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) the Shareholders' approval at the Annual General Meeting; and (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued in accordance with the terms and conditions of the 2024 Share Option Scheme.

LETTER FROM THE BOARD

Principal terms of the 2024 Share Option Scheme

Purposes of the 2024 Share Option Scheme

The purposes of the 2024 Share Option Scheme are (i) to recognise and reward for the past contributions by eligible participants; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

Eligible participants and eligibility

Eligible participants of the 2024 Share Option Scheme are employee participants.

The basis of determining the eligibility of each eligible participant shall be at the sole discretion of the Board. For employee participants, the Board shall take into consideration the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

The Directors (including the independent non-executive Directors) are of the view that the eligibility of employee participants to participate in the 2024 Share Option Scheme is consistent with the purposes of the 2024 Share Option Scheme, which enables the Group to preserve its cash resources and use share incentives to encourage persons inside the Group to contribute to the Group and align the mutual interests of each party, as the Company on one hand and the employee participants on the other hand, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group.

Scheme Mandate Limit

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any Other Schemes of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares as at the Adoption Date.

Options or awards lapsed in accordance with the rules of the 2024 Share Option Scheme and any Other Schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after 3 years from (i) the Adoption Date; or (ii) the date of the Shareholders' approval for the last refreshment (as the case may be).

LETTER FROM THE BOARD

Only insofar as and for so long as the Listing Rules require, any refreshment within any 3-year period shall be approved by the Shareholders, subject to the following provisions:

- (i) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company shall comply with the applicable requirements under the Listing Rules.

The total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any Other Schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of issued Shares as at the date of the Shareholders' approval for the refreshment.

Administration

The 2024 Share Option Scheme shall be subject to the administration of the Board in accordance with the rules of the 2024 Share Option Scheme. The decision of the Board with respect to any matter arising under the 2024 Share Option Scheme (including the interpretation of any provision) shall be final and binding on all parties. The Board may delegate any or all of its powers in relation to the 2024 Share Option Scheme to any of its committees.

Operation

Pursuant to the 2024 Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date at its absolute discretion to select any eligible participant for participation in the 2024 Share Option Scheme as a selected participant and to offer the grant of an option to any selected participant to subscribe at the exercise price for such number of Shares as the Board may determine. Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares to the grantee.

Subject to the provisions of the Listing Rules and the 2024 Share Option Scheme, the Board may in its absolute discretion (i) when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2024 Share Option Scheme as the Board may think fit (to be stated in the grant letter) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the options shall be vested; and (ii) at any time after the grant of an option, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2024 Share Option Scheme.

LETTER FROM THE BOARD

Exercise price of options

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular option under the 2024 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

- (i) the nominal value (if any) of a Share;
- (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and
- (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

The Directors are of the view that the exercise price of options is appropriate given that it is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of options that can provide sufficient incentive to the selected participants to achieve the purpose of the 2024 Share Option Scheme.

Vesting period

The vesting of any options under the 2024 Share Option Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter. Only insofar as and for so long as the Listing Rules require, the vesting period for an option under the 2024 Share Option Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under the following specific circumstances:

- (i) grants of "make-whole" options to an employee participant who is a new director or employee of the Group to replace the share options such person forfeited when leaving his previous employer(s);
- (ii) grants of options to an employee participant whose employment is terminated due to death or disability or event of force majeure;
- (iii) grants of options which are subject to the fulfilment of performance targets as conditions of the options;
- (iv) grants of options made in batches during a year for administrative and compliance reasons;
- (v) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months; and
- (vi) grants of options with a total vesting and holding period of more than 12 months.

LETTER FROM THE BOARD

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the vesting period for options granted to employee participants may be less than 12 months under specific circumstances as set out above is appropriate because such arrangement is in line with the requirements under the Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, which is in line with the purpose of the 2024 Share Option Scheme.

Maximum entitlement of each eligible participant

Subject to the rules of the 2024 Share Option Scheme, where any grant of options or awards to a selected participant under the 2024 Share Option Scheme and any Other Schemes of the Company would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares, such grant of options or awards shall be separately approved by the Shareholders in general meeting with such selected participant and his close associates (or associates if such selected participant is a connected person) abstaining from voting.

Grants of options to Directors, senior management and substantial Shareholders

Where any grant of options or awards is proposed to be made to any selected participant who is a Director (including an independent non-executive Director) or senior management of the Company, such grant must first be approved by all members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

Subject to the Scheme Mandate Limit:

- (i) any grant of options or awards to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options or awards);
- (ii) where any grant of options or awards to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under the 2024 Share Option Scheme and any Other Schemes of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares, such grant of options or awards shall be approved by Shareholders in general meeting in the manner as set out in sub-paragraph (iii) below;

LETTER FROM THE BOARD

- (iii) in the circumstances described in sub-paragraph (ii) above, the Company shall send a circular to the Shareholders containing such details and information as required under the Listing Rules. The grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the relevant requirements under the Listing Rules;
- (iv) any change in the terms of options or awards granted to a selected participant who is a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, shall be approved by Shareholders in the manner as set out in sub-paragraph (iii) above if the initial grant of the options or awards requires such approval under the Listing Rules (except where the changes take effect automatically under the existing terms of the 2024 Share Option Scheme);
- (v) the requirements for the grant to a Director or chief executive of the Company as set out in this paragraph do not apply where the selected participant is only a proposed director or a proposed chief executive of the Company; and
- (vi) in general, the Company should not grant options or awards with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

Performance targets

In respect of an employee participant, unless otherwise determined by the Board and specified in the grant letter, the Group and/or grantee shall achieve the performance targets set out in the grant letter before the options can be vested. Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the employee participants based on individual performance indicators relevant to their roles and responsibilities. The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the employee participants with the pre-agreed targets to determine whether the targets and the extent to which the targets have been met. The performance targets of options granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without performance targets, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

While the performance targets will be imposed on a case-by-case basis to ensure the options vested would be beneficial to the Group, general factors to be taken into account include but not limited to (i) annual results and performance of the Group; (ii) key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs; and (iii) individual position, annual appraisal result and other factors relevant to the grantee. However, for the avoidance of doubt, the rules of the 2024 Share Option Scheme do not specify any performance targets.

LETTER FROM THE BOARD

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2024 Share Option Scheme, as each selected participant will play different roles and contribute in different ways to the Group. The Board or the Remuneration Committee shall have regard to the purpose of the 2024 Share Option Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected participant(s).

Clawback

Where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Group's financial statements by a grantee; (ii) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a grantee without notice or payment in lieu of notice; (iv) conviction of any criminal offence by a grantee involving integrity or honesty; or (v) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group, the options may be subject to clawback as determined by the Board from time to time. The clawback of options or option Shares granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the clawback mechanism in the 2024 Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to selected participants culpable of misconduct and is in line with the purpose of the 2024 Share Option Scheme and the interests of Shareholders.

Scheme life

Subject to any early termination provisions pursuant to the 2024 Share Option Scheme, the 2024 Share Option Scheme shall be valid and effective commencing on the Adoption Date and for a period of 10 years.

Upon the expiry of the 2024 Share Option Scheme as aforesaid, no further options shall be granted but the provisions of the 2024 Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such expiry and not then exercised or vested shall continue to be valid and shall be vested subject to and in accordance with the rules of the 2024 Share Option Scheme.

LETTER FROM THE BOARD

Alteration to the 2024 Share Option Scheme

The 2024 Share Option Scheme may be altered in any respect by a resolution of the Board, provided that the following shall not be carried out except with the prior approval of the Shareholders in general meeting by ordinary resolution:

- (i) any alterations to the terms and conditions of the 2024 Share Option Scheme which are material in nature or any alterations to the provisions of the 2024 Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the eligible participants;
- (ii) any change to the authority of the Board to alter the terms of the 2024 Share Option Scheme; and
- (iii) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the 2024 Share Option Scheme or the options shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

Any change to the terms of options granted to a grantee shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2024 Share Option Scheme.

Termination

The 2024 Share Option Scheme shall terminate on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Shareholders in general meeting provided that such termination shall not materially and adversely affect any subsisting rights of any grantees.

Dealing restrictions

No option shall be granted by the Board under the 2024 Share Option Scheme, where dealings in the Shares are prohibited under any code or requirement of the Listing Rules (including but not limited to Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Listing Rules), the SFO, all applicable laws and any internal code of conduct in securities dealing adopted by the Company from time to time. Without limiting the generality of the foregoing, no such option shall be granted, no such instruction shall be given and no such payment shall be made to any grantees under the 2024 Share Option Scheme:

- (i) after an event involving inside information in relation to the affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until (and including) the trading day after such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules or such inside information has otherwise ceased to exist;

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- (ii) during the period commencing from 1 month immediately before the earlier of:
 - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);and ending on the date of the results announcement;
- (iii) during any period of delay in publishing a results announcement of the Company; and
- (iv) in any circumstance where such option, instruction or payment is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Further, no such option shall be granted under the 2024 Share Option Scheme to any grantee who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Terms of the 2024 Share Option Scheme

A summary of the principal terms of the 2024 Share Option Scheme are set out in Appendix III to this circular. The summary does not constitute the full terms of the same. A copy of the rules of the 2024 Share Option Scheme has been published and will remain on the Company's website at <http://www.lai-si.com> and Hong Kong Exchanges and Clearing Limited's HKEXnews website at <http://www.hkexnews.hk> for display for a period of not less than 14 days before the date of the Annual General Meeting and such rules will be made available for inspection at the Annual General Meeting.

Application for listing

Application will be made by the Company to the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the total number of issued Shares as at the Adoption Date) which may be issued in respect of all options to be granted under the 2024 Share Option Scheme and any other share scheme(s) of the Company.

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As at the Latest Practicable Date, there were a total of 400,000,000 issued Shares.

Assuming that the 2024 Share Option Scheme is adopted, the total number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme and any other share scheme(s) of the Company is 40,000,000, representing 10% of the total number of issued Shares as at the Adoption Date.

Other information

As at the Latest Practicable Date, the Company does not have any intention to grant options in the coming 12 months under the 2024 Share Option Scheme. The Board will from time to time consider whether to grant options to the eligible participants based on a number of factors including, among others, the Group's overall financial performance, the individual performance of the eligible participants and their contribution to the revenue, profits or business development of the Group, to ensure that all the grants of options would be in line with the purposes of the 2024 Share Option Scheme and in the interest of the Company and the Shareholders.

None of the Directors shall be a trustee of the 2024 Share Option Scheme has a direct or indirect interest in any such trustee(s). With respect to the operation of the 2024 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

To the extent that the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the termination of the 2017 Share Option Scheme and the adoption of the 2024 Share Option Scheme. As such, none of the Shareholders are required to abstain from voting on the resolutions in relation to the termination of the 2017 Share Option Scheme and the adoption of the 2024 Share Option Scheme.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 42 to 47 of this circular.

Pursuant to the Listing Rules and Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands as permitted under the Listing Rules. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

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 websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.lai-si.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Sunday, 23 June 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Share Repurchase Mandate and the Share Issue Mandate, the termination of the 2017 Share Option Scheme and the adoption of the 2024 Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Lai Si Enterprise Holding Limited
黎氏企業控股有限公司
Lai Ieng Man
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) MS. CHEONG WENG SI – EXECUTIVE DIRECTOR

Position and Experience

Ms. Cheong Weng Si (張穎思), aged 45, was appointed as a Director on 15 June 2016 and designated as an executive Director on 18 July 2016. Ms. Cheong is primarily responsible for the overall management of the Group's administrative matters. She is the spouse of Mr. Lai Meng San, the daughter-in-law of Mr. Lai Ieng Man and the sister-in-law of Ms. Lai Ieng Wai.

Ms. Cheong has over 13 years of experience in administration. She obtained a bachelor's degree of business administration in accounting from the University of Macau, Macau in June 2001. Ms. Cheong joined the Group on 17 February 2011 and she has been handling the Group's administrative matters since then. Prior to joining the Group, Ms. Cheong worked as a management trainee in Seng Heng Bank Limited from October 2005 to April 2007. She then worked in the finance department of Venetian Macau Limited from April 2007 to June 2008.

Ms. Cheong does not, at present, nor did she in the past three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas.

Length of service

Ms. Cheong entered into a re-appointment agreement with the Company for a term of three years commencing from 10 February 2023 which may be terminated by either party with three months' written notice. She is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provision of Articles of Association.

Relationships

Ms. Cheong is the spouse of Mr. Lai Meng San, the daughter-in-law of Mr. Lai Ieng Man and the sister-in-law of Ms. Lai Ieng Wai, who are executive Directors and controlling Shareholders (collectively) of the Company. Saved as disclosed herein, Ms. Cheong does not have any other relationships with any Directors or senior management or substantial Shareholders or controlling Shareholders.

Interests in Shares

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

Director's emoluments

Ms. Cheong is entitled to a director's salary of MOP80,000 per month and a discretionary bonus (which is covered by the service agreement), which is determined by the Board at the recommendation of the remuneration committee of the Board with reference to her experience, responsibilities, workload, time devoted to the Group and performance of the Group.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

It is disclosed in the Company's prospectus dated 27 January 2017 ("**Prospectus**") that Milestone Engineering Company Limited 里程工程有限公司 ("**Milestone**"), a company incorporated in Macau and of which Ms. Cheong was previously a director, was dissolved on 21 June 2016 by way of voluntary winding-up by its shareholders.

Ms. Cheong confirmed that (i) Milestone was solvent immediately prior to its dissolution; (ii) there was no outstanding claim or material liabilities remain in connection with Milestone, and (iii) there is no wrongful act on her part leading to the aforesaid dissolution of Milestone and she is not aware of any actual or potential claim has been or will be made against her as a result of the dissolution of Milestone.

Saved as disclosed above, Ms. Cheong confirmed that there is no other information which is discloseable pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Ms. Cheong that need to be brought to the attention of the Shareholders.

(2) MR. SIU WING HAY – INDEPENDENT NON-EXECUTIVE DIRECTOR**Position and Experience**

Mr. Siu Wing Hay (蕭永禧), aged 49, was appointed as independent non-executive Director on 10 February 2023, and is the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct.

Mr. Siu has extensive experience in corporate finance industry and has engaged in such industry for over 25 years. Mr. Siu has worked for Red Sun Capital Limited as managing director and responsible officer since January 2017.

Mr. Siu obtained a bachelor's degree of business administration in finance from The Hong Kong University of Science and Technology in November 1997. He was admitted as a member of the Hong Kong Institute of Certified Public Accountants in March 2003. He was admitted as a member and a fellow of The Association of Chartered Certified Accountants in May 2001 and May 2006, respectively.

Mr. Siu served as an independent non-executive director of Janco Holdings Limited, a company listed on the GEM board of The Stock Exchange of Hong Kong Limited (stock code: 8035) from September 2016 to September 2019.

Length of service

Mr. Siu entered into an appointment agreement with the Company for a term of one year commencing from 10 February 2023 which may be terminated by either party with one month's written notice. He is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provision of Articles of Association.

Relationships

Mr. Siu does not have any relationships with any Directors or senior management or substantial Shareholders or controlling Shareholders.

Interests in Shares

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

Director's emoluments

Mr. Siu is entitled to a director's fee of MOP80,000 per annum (which is covered by the appointment agreement), which is determined by the Board at the recommendation of the remuneration committee of the Board with reference to his duties and responsibilities as well as prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Mr. Siu confirmed that there is no information which is discloseable pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Siu that need to be brought to the attention of the Shareholders.

(3) MR. CHAN IOK CHUN – INDEPENDENT NON-EXECUTIVE DIRECTOR**Position and Experience**

Mr. Chan Iok Chun (陳玉泉), aged 58, was appointed as an independent non-executive Director on 18 January 2017, and is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct.

Mr. Chan has over 18 years of experience in the retail industry of mobile phones and related accessories in Macau. He completed secondary education in Macau in 1986. During 2001 to November 2010, Mr. Chan worked for Lei Kei Trading as the chief executive officer and was responsible for its overall business development and operation management. In November 2010, Mr. Chan founded Lei Kei Telecommunication Holdings Limited, which is principally engaged in retail and wholesale of telecommunication equipment in Macau. He has been the chief executive officer of Lei Kei Telecommunication Holdings Limited since its incorporation and is responsible for its overall business development and operation management.

Mr. Chan does not, at present, nor did he in the past three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas.

Length of service

Mr. Chan entered into a re-appointment agreement with the Company for a term of one year commencing from 10 February 2023 which may be terminated by either party with one month's written notice. He is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provision of Articles of Association.

Relationships

Mr. Chan does not have any relationships with any Directors or senior management or substantial Shareholders or controlling Shareholders.

Interests in Shares

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

Director's emoluments

Mr. Chan is entitled to a director's fee of MOP30,000 per annum (which is covered by the re-appointment agreement), which is determined by the Board at the recommendation of the remuneration committee of the Board with reference to his duties and responsibilities as well as prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Mr. Chan confirmed that there is no information which is discloseable pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for 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 Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5(i) of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 400,000,000 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

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

Shares repurchase 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 and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

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 December 2023) in the event that the Share 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 Share 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.

5. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.520	0.385
May	0.460	0.235
June	0.450	0.375
July	0.385	0.260
August	0.390	0.290
September	0.345	0.305
October	0.300	0.280
November	0.385	0.250
December	0.375	0.285
2024		
January	0.365	0.305
February	0.345	0.340
March	0.345	0.280
April (<i>up to the Latest Practicable Date</i>)	0.330	0.280

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close 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 Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core 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 Share Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

Neither the explanatory statement nor the proposed share repurchase has any unusual features.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Lai Ieng Man and the controlling Shareholders were interested in or regarded as having control the exercise of voting rights of 300,000,000 Shares representing approximately 75% of the voting rights in the general meetings of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the aggregate shareholding of Mr. Lai Ieng Man and the controlling Shareholders Group would be increased to approximately 83.33% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

The following is a summary of the principal terms of the rules of the 2024 Share Option Scheme proposed to be adopted at the Annual General Meeting.

1. PURPOSES OF THE 2024 SHARE OPTION SCHEME

The purposes of the 2024 Share Option Scheme are: (i) to recognise and reward for the past contributions by eligible participants; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

2. PARTICIPANTS AND ELIGIBILITY

Eligible participants of the 2024 Share Option Scheme are employee participants.

The basis of determining the eligibility of each eligible participant shall be at the sole discretion of the Board. For employee participants, the Board shall take into consideration the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

3. SCHEME MANDATE LIMIT

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any Other Schemes of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares as at the Adoption Date.

Options or awards lapsed in accordance with the rules of the 2024 Share Option Scheme and any Other Schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit after 3 years from (i) the Adoption Date; or (ii) the date of the Shareholders' approval for the last refreshment (as the case may be).

Only insofar as and for so long as the Listing Rules require, any refreshment within any 3-year period shall be approved by the Shareholders, subject to the following provisions:

- (i) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company shall comply with the applicable requirements under the Listing Rules.

The total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any Other Schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of issued Shares as at the date of the Shareholders' approval for the refreshment.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Subject to the rules of the 2024 Share Option Scheme, where any grant of options or awards to a selected participant under the 2024 Share Option Scheme and any Other Schemes of the Company would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares, such grant of options or awards shall be separately approved by the Shareholders in general meeting with such selected participant and his close associates (or associates if such selected participant is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders containing the details and information required under the rules of the 2024 Share Option Scheme and the Listing Rules.

5. GRANTS OF OPTIONS TO DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Where any grant of option or award is proposed to be made to any selected participant who is a Director (including an independent non-executive Director) or senior management of the Company, such grant must first be approved by all members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

Subject to the Scheme Mandate Limit:

- (i) any grant of options or awards to a Director, chief executive or a substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options or awards);
- (ii) where any grant of options or awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options granted and awards under the 2024 Share Option Scheme and any Other Schemes of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares, such grant of options or awards shall be approved by Shareholders in general meeting in the manner as set out in sub-paragraph (iii) below;

- (iii) in the circumstances described in sub-paragraph (ii) above, the Company shall send a circular to the Shareholders containing such details and information as required under the Listing Rules. The grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the relevant requirements under the Listing Rules;
- (iv) any change in the terms of options or awards granted to a selected participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by Shareholders in the manner as set out in sub-paragraph (iii) above if the initial grant of the options or awards requires such approval under the Listing Rules (except where the changes take effect automatically under the existing terms of the 2024 Share Option Scheme);
- (v) the requirements for the grant to a Director or chief executive of the Company as set out in this paragraph do not apply where the selected participant is only a proposed director or a proposed chief executive of the Company; and
- (vi) in general, the Company should not grant options or awards with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

6. EXERCISE PERIOD

In respect of an option, the period within which an option may be exercised by the grantee as the Board may in its absolute discretion determine and which shall not be more than 10 years from the grant date of the option.

An option shall be exercised in whole or in part within the exercise period in the manner as set out in the rules of the 2024 Share Option Scheme by the grantee (or any other person so permitted pursuant to the 2024 Share Option Scheme) by giving notice in writing to the Company in the manner to the satisfaction of the Company and stating that the option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given. In general, within 30 days after receipt of the notice, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or any other person so permitted pursuant to the 2024 Share Option Scheme) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or any other person so permitted pursuant to the 2024 Share Option Scheme) share certificate(s) in respect of the Shares so allotted.

7. VESTING PERIOD

The vesting of any options under the 2024 Share Option Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter.

Only insofar as and for so long as the Listing Rules require, the vesting period for an option under the 2024 Share Option Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under the following specific circumstances:

- (i) grants of “make-whole” options to an employee participant who is a new director or employee of the Group to replace the share options such person forfeited when leaving his previous employer(s);
- (ii) grants of options to an employee participant whose employment is terminated due to death or disability or event of force majeure;
- (iii) grants of options which are subject to the fulfilment of performance targets as conditions of the options;
- (iv) grants of options made in batches during a year for administrative and compliance reasons;
- (v) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months; and
- (vi) grants of options with a total vesting and holding period of more than 12 months.

8. PERFORMANCE TARGETS

Subject to the provisions of the Listing Rules and the 2024 Share Option Scheme, the Board may in its absolute discretion (i) when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2024 Share Option Scheme as the Board may think fit (to be stated in the grant letter) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before all or some of the options shall be vested; and (ii) at any time after the grant of an option, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2024 Share Option Scheme.

In respect of an employee participant, unless otherwise determined by the Board and specified in the grant letter, the Group and/or grantee shall achieve the performance targets set out in the grant letter before the options can be vested. Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the employee participants based on individual performance indicators relevant to their roles and responsibilities. The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the employee participants with the pre-agreed targets to determine whether the targets and the extent to which the targets have been met. The performance targets of options granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without performance targets shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

9. AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION AND PAYMENT PERIOD

An offer of the grant of an option shall remain open for acceptance by the selected participant concerned for a period of 30 business days from the grant date provided that no such grant of an option may be accepted after the expiry of the effective period of the 2024 Share Option Scheme or after the 2024 Share Option Scheme has been terminated. An option shall be deemed to have been granted and accepted by the selected participant and to have taken effect when the duplicate grant letter comprising acceptance of the offer of the option duly signed by the grantee together with a remittance in favour of the Company of HKD1.00 by way of consideration for the grant thereof is received by the Company on or before the acceptance date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an option may be accepted in respect of less than the number of Shares in respect of which it is offered such number is clearly stated in the duplicate grant letter comprising acceptance of the offer of the option in the manner as set out in the sub-paragraph above. To the extent that the offer of the grant of an option is not accepted by the acceptance date, it will be deemed to have been irrevocably declined.

10. EXERCISE PRICE

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular option under the 2024 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

- (i) the nominal value (if any) of a Share;
- (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and
- (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

11. CERTAIN RIGHTS ATTACHING TO THE SHARES AND THE OPTIONS

No grantee shall enjoy any rights of a Shareholder by virtue of the grant of an option pursuant to the 2024 Share Option Scheme, unless and until the Shares are actually issued to the grantee pursuant to the exercise of an option. The options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of an option shall not carry rights until the registration of the grantee (or any other person so permitted pursuant to the 2024 Share Option Scheme) as the holder thereof.

12. LIFE OF THE 2024 SHARE OPTION SCHEME

Subject to any early termination provisions pursuant to the 2024 Share Option Scheme, the 2024 Share Option Scheme shall be valid and effective commencing on the Adoption Date and for a period of 10 years. Upon the expiry of the 2024 Share Option Scheme, no further options will be offered but the provisions of the 2024 Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the 2024 Share Option Scheme.

13. LAPSE OF OPTIONS

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the exercise period;
- (ii) the expiry of any of the period referred to in this paragraph 13;
- (iii) the date of the commencement of the winding-up of the Company;
- (iv) there is an unsatisfied judgement or order outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts; or
- (v) the non-fulfilment of or failure to comply with any conditions specified by the Board in an offer of the grant of an option made in accordance with the rules of the 2024 Share Option Scheme.

No compensation shall be payable upon the lapse of any option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

Subject as hereinafter provided and subject to the terms and conditions upon which the option was granted, an option may be exercised by the grantee at any time during the exercise period, provided that:

- (i) in the event that the grantee dies or becomes permanently disabled before exercising an option (or exercising it in full) and none of the events for termination of employment or engagement under sub-paragraph (v) below exists with respect to such grantee, he (or his legal personal representative(s)) may exercise the option up to the grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;
- (ii) in the event that the grantee ceases to be an employee participant by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, and none of the events for termination of employment or engagement under sub-paragraph (v) below exists with respect to such grantee, his option (to the extent not already exercised) shall be exercisable up to the grantee's entitlement immediately prior to his retirement until the expiry of the relevant exercise period;
- (iii) in the event that the grantee ceases to be an employee participant by reason of his transfer of employment to a related entity (i.e. any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company), his option (to the extent not already exercised) shall be exercisable until the expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (iv) in the event that the grantee ceases to be an employee participant for any reason (including his employing company ceasing to be a member of the Group or a related entity (i.e. any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company)) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to a related entity or the Group (as the case may be) or the termination of his employment with the relevant member of the Group or a related Entity (as the case may be) by resignation or culpable termination, the option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

- (v) in the event that the grantee ceases to be an employee participant by reason of the termination of his employment by resignation or culpable termination, the option (to the extent not already exercised) shall lapse on the date on which the grantee is notified of the termination of his employment and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the grantee's option has lapsed pursuant to this sub-paragraph (v) shall be final and conclusive;

- (vi) if:
 - (a) the Board in its absolute discretion at any time determines that a grantee has ceased to be an eligible participant;

 - (b) a grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the option or which were the basis on which the option was granted,

the option (to the extent not already exercised) shall lapse on the date on which the grantee is notified thereof (in the case of (a)) or on the date on which the grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (b)) and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable up to the grantee's entitlement immediately prior to the determination of the Board (in the case of (a)) or the failure of the grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the option or which were the basis on which the option was granted (in the case of (b)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. A resolution of the Board resolving that the grantee's option has lapsed pursuant to this sub-paragraph (vi) shall be final and conclusive;

- (vii) if a grantee:
- (a) has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by the Company, any member of the Group or any related entity, and whether or not it has resulted in his employment or engagement being terminated by the Company, the relevant member of the Group or the related entity (as the case may be);
 - (b) has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
 - (c) has made any arrangement or composition with his creditors generally;
 - (d) has been convicted of any criminal offence;
 - (e) has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong SAR or any other jurisdictions; or
 - (f) commits a breach of any contract entered into between the grantee or his associate and any member of the Group,

the option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable up to the grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (a) to (d) of this sub-paragraph (vii) within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's option has lapsed pursuant to this sub-paragraph (vii) shall be final and conclusive;

- (viii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;

- (ix) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his legal personal representatives or receiver) may until the expiry of the earlier of:
- (a) the exercise period;
 - (b) the period of two months from the date of such notice; or
 - (c) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his option.

Except insofar as exercised in accordance with this sub-paragraph (ix), all options outstanding at the expiry of the relevant period referred to in this sub-paragraph (ix) shall lapse. The Company may thereafter require each grantee to transfer or otherwise deal with the Shares issued on exercise of the option to place the grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (x) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company in the manner to the satisfactory to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon 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 the relevant Shares to the grantee (or any other person so permitted pursuant to the 2024 Share Option Scheme) credited as fully paid.

14. ADJUSTMENT IN ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company while any option remains exercisable, whether by way of capitalisation issue, bonus issue with price-dilutive element, open offer with price-dilutive element, rights issue, consolidation, sub-division or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the maximum number of Shares subject to the 2024 Share Option Scheme; and/or
- (ii) the aggregate number of Shares subject to the options so far as unexercised; and/or
- (iii) the exercise price of each outstanding option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors or independent financial advisors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules and the Supplementary Guidance issued by the Stock Exchange from time to time, provided that:

- (i) any such adjustments shall give a selected participant the same proportion of equity capital, rounded to the nearest whole share, as that to which that eligible participant was previously entitled to, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the auditors or independent financial advisors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this sub-paragraph (i);
- (ii) any such adjustments shall be made on the basis that the aggregate exercise price payable by the grantee on the full exercise of any option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;
- (iii) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and the Supplementary Guidance issued by the Stock Exchange from time to time; and
- (iv) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

In the case of (i) capitalisation or bonus issue; (ii) rights issue or open offer; or (iii) subdivision or consolidation of shares, the Company would calculate the adjusted number of options and adjusted exercise price by applying the formula prescribed (and as updated from time to time) in the Supplemental Guidance published by the Stock Exchange.

15. CANCELLATION OF OPTIONS

The Board shall be entitled for the following causes to cancel any option in whole or in part by giving notice in writing to the grantee stating that such option is thereby cancelled with effect from the date specified in such notice:

- (i) the grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of option or any terms or conditions attached to the grant of the option;
- (ii) the grantee makes a written request to the Board for the option to be cancelled; or
- (iii) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.

The option shall be deemed to have been cancelled with effect from the cancellation date in respect of any part of the option which has not been exercised as at the cancellation date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

Where the Company cancels options granted to a selected participant, and makes a new grant to the same selected participant, such new grant may only be made under the 2024 Share Option Scheme with available Scheme Mandate Limit approved by the Shareholders.

16. RANKING OF SHARES

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles and the laws of the Cayman Islands from time to time and shall rank pari passu in all respects with the then existing issued and fully paid Shares commencing from the Allotment Date (as defined under the rules of the 2024 Share Option Scheme) or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) 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, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date.

17. TERMINATION

The 2024 Share Option Scheme shall terminate on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Shareholders in general meeting provided that such termination shall not materially and adversely affect any subsisting rights of any grantees.

Upon termination of the 2024 Share Option Scheme as aforesaid, no further options shall be offered but the provisions of the 2024 Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant exercise period, subject to and in accordance with the 2024 Share Option Scheme.

18. TRANSFERABILITY OF OPTIONS

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 (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so, except where the Stock Exchange has given an express waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee for estate planning or tax planning which would comply with the requirements of the Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding option or part thereof granted to such grantee.

19. ALTERATION TO 2024 SHARE OPTION SCHEME

The 2024 Share Option Scheme may be altered in any respect by a resolution of the Board, provided that the following shall not be carried out except with the prior approval of the Shareholders in general meeting by ordinary resolution:

- (i) any alterations to the terms and conditions of the 2024 Share Option Scheme which are material in nature or any alterations to the provisions of the 2024 Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the eligible participants;
- (ii) any change to the authority of the Board to alter the terms of the 2024 Share Option Scheme; and
- (iii) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the 2024 Share Option Scheme or the options shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

Any change to the terms of options granted to a selected participant shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the 2024 Share Option Scheme.

20. CLAWBACK MECHANISM

Where there has been an occurrence of misconduct such as (i) any material misstatements or omissions in the Group's financial statements by a grantee; (ii) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information; (iii) any termination of employment contracts by a grantee without notice or payment in lieu of notice; (iv) conviction of any criminal offence by a grantee involving integrity or honesty; or (v) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group, the options or the option Shares may be subject to clawback as determined by the Board from time to time. The clawback of the options or the option Shares granted to the Directors and senior management of the Company, and any grants of options to the Directors and senior management of the Company without clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

21. CONDITIONS OF THE 2024 SHARE OPTION SCHEME

The 2024 Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (i) the Shareholders' approval for the adoption of the 2024 Share Option Scheme in general meeting; and
- (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued pursuant to the exercise of the options in accordance with the terms and conditions of the 2024 Share Option Scheme.

If the permission referred to in the sub-paragraph (ii) above is not granted within 2 calendar months after the Adoption Date:

- (i) the 2024 Share Option Scheme will forthwith terminate;
- (ii) any option granted or agreed to be granted pursuant to the 2024 Share Option Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2024 Share Option Scheme or any options; and

the Board may devise another share option scheme for adoption by the Company.

22. DEALING RESTRICTIONS

No option shall be granted by the Board under the 2024 Share Option Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules (including but not limited to Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Listing Rules), the SFO, all applicable laws and any internal code of conduct in securities dealing adopted by the Company from time to time. Without limiting the generality of the foregoing, no such option shall be granted to any grantees under the 2024 Share Option Scheme:

- (i) after an event involving inside information in relation to the affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until (and including) the trading day after such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules or such inside information has otherwise ceased to exist;

- (ii) during the period commencing 1 month immediately before the earlier of:
 - (a) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement;
- (iii) during any period of delay in publishing a results announcement of the Company; and
- (iv) in any circumstance where such option is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Further, no such option shall be granted under the 2024 Share Option Scheme to any grantee who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

NOTICE OF ANNUAL GENERAL MEETING



Lai Si Enterprise Holding Limited

黎氏企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2266)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Lai Si Enterprise Holding Limited 黎氏企業控股有限公司 (the “**Company**”) will be held at Meeting Room, 1/F, Lai Si Enterprise Centre, Rua da Ribeira do Patane No. 54, Macau on Tuesday, 25 June 2024 at 2:00 p.m. (the “**Annual General Meeting**”) for the following purposes:

ORDINARY RESOLUTIONS

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditors for the year ended 31 December 2023.
2. To re-elect the following retiring directors as directors of the Company, each as a separate resolution:
 - (i) Cheong Weng Si;
 - (ii) Siu Wing Hay; and
 - (iii) Chan Iok Chun.
3. To authorize the board of directors to fix the respective directors’ remuneration.
4. To re-appoint Baker Tilly Hong Kong Limited as auditors of the Company and to authorize the board of directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

(i) **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) 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; and
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(ii) **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate 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 articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**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).”

- (iii) “**THAT** conditional upon the passing of the ordinary resolutions set out in items 5(i) and 5(ii) of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the ordinary resolution set out in item 5(ii) of the Notice be and is hereby extended by the addition to the aggregate number of shares 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 of shares repurchased by the Company pursuant to the mandate referred to in the ordinary resolution set out in item 5(i) of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

and, as special business, to consider and, if thought fit, pass the following resolution as ordinary resolution (with or without modification):

NOTICE OF ANNUAL GENERAL MEETING

6. (i) “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the ordinary shares of HKD0.01 each in the share capital of the Company (the “**Shares**”) falling to be issued pursuant to the exercise of any options granted under the 2024 share option scheme of the Company (the “**2024 Share Option Scheme**”), the terms of which are set out in the document marked “A” produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the 2024 Share Option Scheme be approved and adopted to be one of the share option schemes of the Company and with effect from the date of the 2024 Share Option Scheme becoming unconditional and coming into effect, the 2017 share option scheme of the Company which was adopted by the Company on 18 January 2017 with effect from 10 February 2017 be terminated and that the Directors be authorised:
- (a) to grant options thereunder and to allot and issue Shares pursuant to the 2024 Share Option Scheme;
 - (b) to alter and/or modify the 2024 Share Option Scheme from time to time provided that such alteration and/or modification is effected in accordance with the provisions of the 2024 Share Option Scheme relating to the alteration and/or modification and subject to Chapter 17 of the Listing Rules;
 - (c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the 2024 Share Option Scheme and subject to the Listing Rules; and
 - (d) to take all such steps as may be necessary or desirable to implement such 2024 Share Option Scheme.”
- (ii) “**THAT** conditional upon the resolution numbered 6(i) above being passed, the total number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme pursuant to the resolution numbered 6(i) above and any Other Schemes (as defined in the 2024 Share Option Scheme) of the Company (i.e. the Scheme Mandate Limit (as defined in the 2024 Share Option Scheme)) 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.”

For and on behalf of the Board
Lai Si Enterprise Holding Limited
黎氏企業控股有限公司
Lai Ieng Man
Chairman

Macau, 29 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the annual general meeting of the Company. A proxy does not need to be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 2:00 p.m. on Sunday, 23 June 2024 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Wednesday, 19 June 2024 to Tuesday, 25 June 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 18 June 2024.
5. If a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” caused by super typhoons or a black rainstorm warning is/are in force in Macau at 9:00 a.m. on 25 June 2024, the Annual General Meeting will not be held on 25 June 2024 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company.
6. References to time and dates in this notice are to Hong Kong time and dates unless otherwise stated.