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

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

**If you have sold or transferred** all your shares in Eternity Investment Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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## **ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

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

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A notice convening a special general meeting of the Company to be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 15 August 2024 at 11:30 a.m. is set out on pages 62 to 65 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company’s Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

No gifts, food or beverages will be provided to attendees at the special general meeting.

29 July 2024



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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme and the Amended Share Award Scheme are adopted by ordinary resolution(s) to be passed by the Shareholders at the SGM
“Amended Share Award Scheme”	the amended share award scheme proposed to be approved and adopted by the Company at the SGM, a summary of the principal terms of which is set out in Appendix II to this circular
“Amendment Date”	the date on which the proposed amendments to the Existing Share Award Scheme is conditionally approved by the resolutions at the SGM
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	a provisional award of the Awarded Shares made in accordance with the Amended Share Award Scheme
“Award Notice”	the notice to be sent to the Trustee upon the making of an Award
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Company”	Eternity Investment Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares are listed on the Main Board of the Exchange under stock code: 764
“Director(s)”	the director(s) of the Company from time to time
“Earliest Vesting Date”	the earliest date (unless otherwise determined by the Board at its discretion), on which the Trustee (or SPV as authorised by the Trustee) may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant under the New Share Award Scheme

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## DEFINITIONS

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“Eligible Participant(s)”	including (a) the Employee Participant(s); (b) the Related Entity Participant(s); and (c) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted Options or Awards under the New Share Option Scheme or the Amended Share Award Scheme as inducement to enter into employment contracts with these companies)
“Exchange”	The Stock Exchange of Hong Kong Limited
“Existing Share Award Scheme”	the share award scheme of the Company adopted by the Company on 16 September 2021
“Existing Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 16 December 2021
“Further Shares”	Shares purchased and/or subscribed for by the Trustee out of net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the trust constituted by the Trust Deed
“Gift Contribution”	any Shares or moneys being transferred to the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) by way of gift or for nominal consideration from any person other than the Group
“Grantee”	any Eligible Participant or his/her Personal Representative(s) who accepts the Offer in accordance with the terms of the New Share Option Scheme
“Group”	the Company and all of its subsidiaries from time to time
“Group Contribution”	the subscription and purchase of the Awarded Shares by utilising the funds allocated by the Board out of the Company's resources
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

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## DEFINITIONS

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“Individual Limit”	the maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under the New Share Option Scheme, the Amended Share Award Scheme, and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (excluding treasury Shares)
“Latest Practicable Date”	23 July 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange
“New Share Option Scheme”	the share option scheme proposed to be approved and adopted by the Shareholders at the SGM, a summary of the principal terms of which is set out in Appendix I to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which an offer for the grant of an Option is made to an Eligible Participant
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination contained in the New Share Option Scheme
“Other Distributions”	any dividends and other distributions declared and made in respect of any Awarded Shares shall be held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) for the benefit of, and shall only be payable or transferable (as the case may be) to, the relevant Selected Participant when such Awarded Shares are vested in such Selected Participant in accordance with the Amended Share Award Scheme

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## DEFINITIONS

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“Partial Lapse”	upon occurrence of the event (i) a Selected Participant is found to be an Excluded Participant or (ii) (subject to the Amended Share Award Scheme) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) (or such later date as may be determined by the Trustee at its sole and absolute discretion having regard to all relevant circumstances) for the relevant Awarded Shares and the Other Distributions within the stipulated period as provided in or determined in accordance with the rules of the Amended Share Award Scheme, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board and, upon termination of the Amended Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Amended Share Award Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee or Selected Participant (being an individual), is or are entitled to the Option granted to such Grantee (to the extent not already exercised) or Awarded Shares to be vested in such Selected Participant
“Related Entity Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company
“Residual Cash”	being cash remaining in the trust fund in respect of an Awarded Share and a Returned Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, and cash which has not been applied in the acquisition of Further Shares)
“Returned Shares”	such Awarded Shares and Other Distributions which are not vested and/or forfeited in accordance with the terms of the Amended Share Award Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Amended Share Award Scheme, or such Shares being deemed to be Returned Shares

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## DEFINITIONS

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“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Options and Awards which may be granted at any time under the New Share Option Scheme and the Amended Share Award Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company, shall not exceed such number of Shares as equals 10% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date
“Selected Participant”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits) his Personal Representative
“Service Provider(s)”	person(s) (whether a natural person, a corporate entity or otherwise) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, as further identified in the letter from the Board where the continuity and frequency of their services are akin to those of employees of the Group, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category
“Service Provider Sublimit”	within the Scheme Mandate Limit, the maximum number of Shares which may be issued in respect of all Options and Awards which may be granted at any time under the New Share Option Scheme and the Amended Share Award Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers, shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 15 August 2024 at 11:30 a.m. to consider and, if thought fit, approve, among other things, (i) the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (ii) the proposed amendments to the Existing Share Award Scheme

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shares Pool”	the pool of Awarded Shares which the Trustee set aside out of a pool of issued Shares at any time during the continuation of the Amended Share Award Scheme and the Trust Deed, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee (or SPV as authorised by the Trustee) pursuant to the Trust Deed
“SPV”	a special purpose vehicle which may be established by the Trustee for the purpose of the Amended Share Award Scheme, subject to the provisions of the Trust Deed
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“Total Lapse”	upon occurrence of an event as detailed in paragraph (10) of Appendix II to this circular which will trigger the Award automatically lapse forthwith and all the Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board and, upon termination of the Amended Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Amended Share Award Scheme
“Trust Deed”	the trust deed (if applicable) to be executed by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	Victory Success (Hong Kong) Limited, a company incorporated under the laws of Hong Kong or such other trustee(s) as shall be appointed pursuant to and in accordance with the terms of the Trust Deed



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## DEFINITIONS

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“Vesting Date”	the date on which the legal and beneficial ownership of the Awarded Shares are transferred to and vested in such Selected Participant pursuant to an Award
“Vesting Period”	the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant and ending on the Vesting Date (both dates inclusive)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### **ETERNITY INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

*Executive Directors:*

Mr. Lei Hong Wai

*(Chairman and Chief Executive Officer)*

Mr. Cheung Kwok Wai Elton

Mr. Cheung Kwok Fan

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent non-executive Directors:*

Mr. Wan Shing Chi

Mr. Ng Heung Yan

Ms. Leung Man Yee Fanny

Mr. Law Kwok Ho Kenward

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

Unit 1211, Shun Tak Centre

West Tower

168-200 Connaught Road Central  
Hong Kong

29 July 2024

*To the Shareholders*

Dear Sir or Madam,

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

#### **INTRODUCTION**

The purpose of this circular is to provide you with information on (i) the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; (ii) the proposed amendments to the Existing Share Award Scheme; and (iii) a notice of the SGM.

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## LETTER FROM THE BOARD

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### **PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

#### **The Existing Share Option Scheme**

The Existing Share Option Scheme was adopted by the Company at its general meeting held on 16 December 2021. The Existing Share Option Scheme is valid and effective for a period of ten (10) years from the date of adoption. In view of the amendments to Chapter 17 of the Listing Rules relating to share schemes which came into effect on 1 January 2023, the Company proposes to adopt the New Share Option Scheme to replace the Existing Share Option Scheme in order to conform with the new requirements under the Listing Rules.

As at the Latest Practicable Date, there was no option granted and outstanding under the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme shall be terminated upon adoption of the New Share Option Scheme. Termination of the Existing Share Option Scheme shall not affect the validity of the outstanding options which shall continue to be enforceable according to the terms of the Existing Share Option Scheme.

#### **The New Share Option Scheme**

The Board proposes to adopt the New Share Option Scheme to align with the amendments to Chapter 17 of the Listing Rules relating to share schemes which came into effect on 1 January 2023.

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

As at the Latest Practicable Date, the total number of Shares in issue (excluding treasury Shares) was 3,819,606,486. Application will be made to the Exchange for the approval of the listing of, and permission to deal in, 381,960,648 new Shares which may fall to be issued pursuant to the exercise of any Options, being 10% of the total number of Shares in issue (excluding treasury Shares) as at the date of the SGM for the adoption of the New Share Option Scheme assuming that there being no change in the total number of issued Shares up to the date of the SGM.

As at the Latest Practicable Date, the Company had no intention to grant any Options to any of the Eligible Participants upon the New Share Option Scheme taking effect.

The Company is allowed to use treasury Shares for the New Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Bye-laws. As at the Latest Practicable Date, the Company had not decided whether to use treasury Shares for the New Share Option Scheme, if applicable.

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## LETTER FROM THE BOARD

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The New Share Option Scheme does not have a trustee and hence none of the Directors is and will be a trustee of the New Share Option Scheme.

Pursuant to the Note 1 to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the New Share Option Scheme proposed to be adopted and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme and the grant of the Options thereunder would not constitute an offer to public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

### *Purpose*

The purpose of the New Share Option Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

### *Eligible Participants*

Eligible Participants include (i) the Employee Participants; (ii) the Related Entity Participants; and (iii) the Service Providers, provided that the Board may have absolute discretion to determine whether or not one falls within the above category. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

For Employee Participants, the Board will generally consider, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group.

The scope of the Employee Participants includes independent non-executive Directors. The Directors (including the independent non-executive Directors) consider that the inclusion of independent non-executive Directors as Eligible Participants would provide the Group with flexibility to offer non-cash incentives to such persons for their continuous contributions to the Group's growth and development. Through the grant of the Options, the Eligible Participants and the Group will share a common goal in the growth and development of the Group's business, and Eligible Participants will reap additional rewards through their contribution. Having considered that (i) equity-based remuneration continues to be an important means of ensuring the alignment between the interests of Shareholders and the Directors, including the independent non-executive Directors; and (ii) incentivising and promoting the past and future contributions of the independent non-executive Directors who provide valuable insight and advices to the Company with their deep industry knowledge and professional background, the Board (including the independent non-executive Directors) believes the inclusion of the independent non-executive Directors as

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## LETTER FROM THE BOARD

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Eligible Participants and the flexibility to grant the Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Board will be mindful of the recommended best practice E.1.9 of Part 2 of the corporate governance code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to the independent non-executive Directors when considering any future grants of Options to the independent non-executive Directors.

For Related Entity Participants, the Board will generally consider, amongst others, (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position in the related entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; (vi) the materiality and nature of the business relation between the related entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand; and (vii) the Related Entity Participant's contribution in such related entity which may benefit the core business of the Group through a collaborative relationship.

Service Providers who are eligible under the New Share Option Scheme are categorised into (a) suppliers, contractors and distributors and (b) agents, consultants and advisers. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity. Set out below are the detailed descriptions of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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<b>Category of Service Provider</b>	<b>Contribution to the Group</b>	<b>Criteria for determining eligibility</b>
Suppliers, contractors and distributors	<p>Service Providers under this category are suppliers, contractors and distributors which the Group engages for its day-to-day operation in the business of the Group including but not limited to</p> <p>(a) property investment (such as property development, sale and lease of property);</p> <p>(b) sale of financial assets business (such as provision of market insights and risk analysis services);</p> <p>(c) money lending business (such as provision of market insights and risk analysis services);</p> <p>(d) design and sale of jewelry products (such as provision of design, supply of materials, products production, products distributions);</p> <p>(e) operation of membership golf club and resort (such as provision of club and resort management service, supply of necessity for daily management); and</p> <p>(f) provision of services or products to the Group to render day-to-day management and operation services.</p>	<p>(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</p> <p>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods;</p> <p>(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</p> <p>(iv) the Group's period of engagement of or collaboration with the Service Provider; and</p> <p>(v) the Service Provider's actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.</p>

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## LETTER FROM THE BOARD

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### **Category of Service Provider**

### **Contribution to the Group**

### **Criteria for determining eligibility**

Agents, consultants  
and advisers

Service Providers under this category include agents, consultants and advisers who provide advisory and/or consulting services to the Group's principal business or day-to-day operation including but not limited to finance and accounting services, legal related services, marketing and promotion services, technical services, business opportunities introduction, administration services, operation management, strategic planning and consulting services.

The above services are provided in areas relating to the Group's principal business activities and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the relevant fields.

- (i) the background, expertise, professional qualifications and industry experience of the Service Provider;
- (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods (if any);
- (iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
- (iv) the Group's period of engagement of or collaboration with the Service Provider;
- (v) the benefits and strategic value brought or to be brought by the Service Provider to the Group's development and future prospects with regard to factors such as the actual or expected change in the Group's profits and/or income which is or may be attributable to the Service Provider's collaboration with the Group; and
- (vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

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## LETTER FROM THE BOARD

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

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Related Entity Participants and Service Providers) who play a role in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

It is important for incentivising Related Entity Participants to ensure the related entity shall thrive and provide satisfactory contribution to the Group. Hence the Directors consider that the Company should have the flexibility to grant Options to Related Entity Participants as incentives or rewards for their contributions to these associated companies which will help motivate such Related Entity Participants to optimise their performance and efficiency and to attract and retain or otherwise maintain a long term relationship with the Related Entity Participants. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

Amongst Service Providers, suppliers, contractors and distributors directly contribute to the operation of the Group's business by providing products or services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across the human resource, marketing, public relations, information technology, logistics and delivery, administrative, operational and other business support services in relation to the principal businesses of the Group. Their contribution directly impacts the results of operations of the Group. Service Providers also include agents, consultants and advisers who play important roles in the development and planning of the Group. Such Service Providers contribute to the long-term growth of the Group by the provision of specialised skills, knowledge or connections in the business development of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market trends, technological development and licensing requirements as well as marketing. The service, advice and/or guidance provided by these Service Providers allows the Group to more effectively plan its future business strategies for long-term growth.

Considering (i) that the Related Entity Participants and the Service Providers would contribute to the operation and long-term growth of the Group's businesses; (ii) that the success of the Group requires the co-operation and contribution not only from its directors and employees, but also from various other parties who play an instrumental role in and make actual or potential contributions to the business and development of the Group; and (iii) the factors which the Board will take into account in assessing the eligibility of Related Entity Participants and Service Providers are also highly linked to the actual or future contribution made by them to the Group, the Board (including the independent non-executive Directors) is of the view that it would be in the Company's interest to have the flexibility to grant Options to the Related Entity Participants and the Service Providers in recognition of their contribution to the Group. Such arrangement



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## LETTER FROM THE BOARD

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also enables the Group to preserve its cash resources and use share-based incentives to encourage persons outside of the Group towards their contribution to the Group. The Directors (including the independent non-executive Directors) also consider that the inclusion of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm of providing equity based payment to stakeholders since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee Eligible Participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. In addition, it is in line with the modern commercial practice with reference to other companies listed on the Exchange to include participants, i.e. the Service Providers, in their respective share scheme(s), such that such participants can be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company for the benefit of the Group as a whole. Therefore, the Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants and Service Providers as Eligible Participants is consistent with the purpose of the New Share Option Scheme.

### ***Grantee***

Grantee includes any Eligible Participant or his/her Personal Representative(s) who accepts the Offer in accordance with the terms of the New Share Option Scheme, while Personal Representative refers to the person(s) who, in accordance with the laws of succession applicable in respect of the death of an individual Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised). Having considered that (i) Personal Representative is only applicable in case of the death of the respective Grantee, and is only entitled to exercise the Option granted to such Grantee that have not been exercised; (ii) the Options are personal that neither the Eligible Participant nor his/her Personal Representative(s) are allowed to transfer to the others; (iii) the Company's intention to preserve the acknowledgement regarding the deceased Eligible Participants' prior contributions to the Group; and (iv) the inclusion of personal representative as grantee is a common practice in share schemes of companies listed on the Exchange, the Board (including the independent non-executive Directors) considers that the inclusion of Personal Representative(s) as Grantee is appropriate and in line with the purpose of the New Share Option Scheme.

### ***Scheme Mandate Limit and Service Provider Sublimit***

The Scheme Mandate Limit must not exceed 10% (or such other percentage which may be specified by the Exchange from time to time) of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. Within the Scheme Mandate Limit, the Service Provider Sublimit must not exceed 1% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date.

As at the Latest Practicable Date, the number of issued Shares (excluding treasury Shares) was 3,819,606,486 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company would be 381,960,648 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury Shares) as at the Adoption Date.

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## LETTER FROM THE BOARD

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The Service Provider Sublimit under the New Share Option Scheme together with all options and awards which may be granted under any other share scheme for the time being of the Company will be 38,196,064 Shares, being 1% of the total number of Shares in issue (excluding treasury Shares) as at the Adoption Date. The Service Provider Sublimit is determined with reference to and having taken into account, among others, (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options which may in turn converted into Shares to the Service Providers; (iii) the extent of cooperation with the Service Providers regarding the Group's businesses, the current payment and/or settlement arrangement with the Service Providers; (iv) the Service Provider Sublimit provides the Group with flexibility to provide equity incentives, instead of cash resources, to reward and collaborate with persons who are not employees of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group; (v) the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group which is attributable to the Service Providers, and the nature of the Service Providers' contribution to the long-term growth of the Group's core business and the future capital need of the Group; and (vi) the fact that the Company expects that a majority of Options will be granted to the Employee Participants and/or Related Entity Participants as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to them. Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders. Having considered the above, and the Group's human resources allocation strategy and organisation structure and contribution that have been made by the Service Providers to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

### *Vesting period*

The vesting period for the Options under the New Share Option Scheme shall be at least twelve (12) months. The Board (or the remuneration committee of the Company where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter vesting period to an Employee Participant. Set out below are the exhaustive circumstances which may trigger a shorter vesting period:

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

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## LETTER FROM THE BOARD

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- (f) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date; or
- (g) where there is an occurrence of any of the events regarding death, ill-health or retirement, general offer, winding up, reconstruction, compromise or arrangement as set out in paragraphs (15), (16), (18), (19) and (20) of Appendix I to this circular.

The Board (including the independent non-executive Directors) is of the view that the discretion in allowing a shorter vesting period as set out above allows the Company to (i) retain flexibility in certain cases to provide a competitive remuneration package to attract and retain talents and experts to work for or provide services to the Group; (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; (iv) motivate exceptional performers based on performance metrics rather than time including but not limited to attainment of financial targets such as increase in revenue; (v) maintain the affirmation regarding the Eligible Participants' prior contributions to the Group in light of his/her death, ill-health or retirement; and (vi) ensure the rights of the Employee Participants, who remain as employees of the Group, to exercise the Options upon the happening of general offer, winding up, reconstruction, compromise or arrangement of the Company which are beyond the control of the Employee Participants. Given the above, the Board (including the independent non-executive Directors) is of the view that such arrangements are appropriate and in line with the purpose of the New Share Option Scheme.

### ***Basis of determining the Subscription Price***

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Subscription Price as determined by the Board in its discretion on the Offer Date, but in any event the Subscription Price shall be not less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet of the Exchange on the Offer Date, which must be a trading day; (ii) the average of the closing prices of the Shares as stated in the daily quotations sheets of the Exchange for the five (5) consecutive trading days immediately preceding the Offer Date; and (iii) the nominal value of the Shares on the Offer Date. The basis for determining the Subscription Price is also specified precisely in the rules of the New Share Option Scheme. The Directors (including the independent non-executive Directors) consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company and thus, is in align with the purpose of the New Share Option Scheme.

### ***Performance target and clawback mechanism***

Subject to the New Share Option Scheme and the Listing Rules, the Board may at its absolute discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto including the vesting period and/or the achievement of any performance targets by the Company and/or the Grantee before the Option shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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There are provisions in the New Share Option Scheme which provides for circumstances under which the Options shall lapse automatically in the event that the Grantees cease to be the Eligible Participants, or commit a breach of the New Share Option Scheme. As the circumstances for each grant may vary, it may not always be appropriate to impose a generic set of performance target or clawback mechanism. The Options may or may not contain any performance target or clawback mechanism. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets or clawback mechanism will be attached to each grant in light of the specific circumstances of each Eligible Participant. The Board and the remuneration committee of the Company will consider all relevant circumstances including the purpose of the grant and the category of the Eligible Participants in determining whether any performance target or clawback mechanism should be imposed. By allowing the Company to impose such performance targets and/or clawback mechanism on a case by case basis, the Board (including the independent non-executive Directors) considers the Company will be in a better position to retain such Eligible Participants to continue serving the Company and to provide incentives to such Eligible Participants in achieving the goals of the Group, which align with the purpose of the New Share Option Scheme.

If any performance targets are imposed, the Board may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time.

Other than the circumstances under which the Options shall lapse automatically as set out in the New Share Option Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board (including the independent non-executive Directors) is of the view that the performance target and clawback mechanism allow more flexibility for the Board in setting the terms and conditions of the Options under particular circumstances of each grant. By facilitating the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, the performance target and clawback mechanism are considered to be beneficial to the Group and the Shareholders as a whole.

### *Value of the Options*

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Subscription Price and other terms and conditions to which an Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and indeed might be misleading to the Shareholders.

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## LETTER FROM THE BOARD

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### *Application for listing*

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

### **PROPOSED AMENDMENTS TO THE EXISTING SHARE AWARD SCHEME**

The Existing Share Award Scheme was adopted by the Board on 16 September 2021. Details of the Existing Share Award Scheme are set out in the announcement of the Company dated 16 September 2021. As at the Latest Practicable Date, no Shares had been granted under the Existing Share Award Scheme. Any unvested award Shares granted under the Existing Share Award Scheme prior to the SGM shall continue to be valid in accordance with the Existing Share Award Scheme. As at the Latest Practicable Date, there were no unvested award shares granted under the Existing Share Award Scheme.

The Board has proposed to seek approval from Shareholders at the SGM for certain amendments to be made to the Existing Share Award Scheme to, among other things, bring it in line to reflect the latest amendments to the requirements under Chapter 17 of the Listing Rules which took effect on 1 January 2023.

As the proposed amendments to the Existing Share Award Scheme are considered to be material in nature, the Amended Share Award Scheme will be subject to approval by the Shareholders at the SGM. In the event that the proposed amendments to the Existing Share Award Scheme are not approved by the Shareholders at the SGM, the Company would only operate the Existing Share Award Scheme and grant or vest the Awards under the same to the extent permitted by the Listing Rules.

### **Proposed amendments to the Existing Share Award Scheme**

In light of the latest amendments to the requirements under Chapter 17 of the Listing Rules, the Board has proposed to seek approval from the Shareholders at the SGM for the adoption of Amended Share Award Scheme to bring it in line with the Listing Rules. The key changes entailed by the proposed amendments include, without limitation, the following:

- (i) to revise the scope of Eligible Participants to include (a) Employee Participants; (b) Related Entity Participants; and (c) Service Providers;
- (ii) to allow for the grant of awards using new Shares (excluding treasury Shares) in addition to existing Shares to be purchased from the Exchange or off-market;
- (iii) to adopt the Scheme Mandate Limit and the Service Provider Sublimit;
- (iv) to include the requirement of independent Shareholders' approval for refreshment of the Scheme Mandate Limit and the Service Provider Sublimit;

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## LETTER FROM THE BOARD

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- (v) to adopt a maximum limit for Shares which may be awarded under the Amended Share Award Scheme and other share schemes of the Company, being 10% of the total issued Shares of the Company as at the Amendment Date (excluding any Shares which are the subject matter of any Awards that have already lapsed in accordance with the terms of the Existing Share Award Scheme);
- (vi) to include the requirement for 1% Individual Limit;
- (vii) to include the requirement for 0.1% limit of an individual for grant of Awards (excluding options) to Directors other than independent non-executive Directors and chief executive, or any of their associates in the 12-month period up to and including the date of such grant;
- (viii) to include the requirement for 0.1% limit of an individual for grant of Options or Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates in the 12-month period up to and including the date of such grant;
- (ix) to elaborate on the provisions for adjustment of awards granted under the Amended Share Award Scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital;
- (x) clarification that the Board or a committee of the Board may set performance targets and/or clawback mechanism as part of the vesting conditions of the Awards;
- (xi) to adopt a minimum vesting period of 12 months save where the grant of Awards to Employee Participants are subject to a shorter vesting period under specific circumstances, and to require approval by the independent non-executive Directors for Awards (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards) granted to Directors, chief executive or substantial shareholder of the Company;
- (xii) adding requirement to seek Shareholders' approval for any alteration of the Amended Share Award Scheme which are of material nature or relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants; and
- (xiii) to include other amendments for house-keeping purposes and to better align the wording of the Amended Share Award Scheme with that of the Listing Rules.

The Company is allowed to use treasury Shares for the Amended Share Award Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Bye-laws. As at the Latest Practicable Date, the Company had not decided whether to use treasury Shares for the Amended Share Award Scheme, if applicable.

As at the Latest Practicable Date, the Trustee was Victory Success (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and the Company would not appoint more than one Trustee. None of the Directors is and will be the Trustee of the Amended Share Award Scheme or has or will have any direct or indirect interest in the Trustee.

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## LETTER FROM THE BOARD

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Pursuant to the Note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the Amended Share Award Scheme proposed to be adopted and understands that whilst the Amended Share Award Scheme is not restricted to executives and employees of the Group, the adoption of the Amended Share Award Scheme and the grant of the Awards thereunder would not constitute an offer to public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

A summary of the principal terms of the Amended Share Award Scheme is set out in Appendix II to this circular.

### *Eligibility*

Please refer to paragraph (3) of Appendix II to this circular in relation to the Eligible Participants to the Amended Share Award Scheme. The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and Directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Related Entity Participants and Service Providers) who play a role in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

It is important for incentivising Related Entity Participants to ensure the related entity shall thrive and provide satisfactory contribution to the Group. Hence the Directors consider that the Company should have the flexibility to grant Awards to Related Entity Participants as incentives or rewards for their contributions to these associated companies which will help motivate such Related Entity Participants to optimise their performance and efficiency and to attract and retain or otherwise maintain a long term relationship with the Related Entity Participants. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

Amongst Service Providers, suppliers, contractors and distributors directly contribute to the operation of the Group's business by providing products or services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across the human resource, marketing, public relations, information technology, logistics and delivery, administrative, operational and other business support services in relation to the principal businesses of the Group. Their contribution directly impacts the results of operations of the Group. Service Providers also include agents, consultants and advisers who play important roles in the development and planning of the Group. Such Service Providers contribute to the long-term growth of the Group by provision of specialised skills, knowledge or connections in the business development of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market trends, technological development and licensing requirements as well as marketing. The service, advice and/or guidance provided by these Service Providers allows the Group to more effectively plan its future business strategies for long-term growth.

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## LETTER FROM THE BOARD

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Service Providers who are eligible under the Amended Share Award Scheme are categorised into (a) suppliers, contractors and distributors and (b) agents, consultants and advisers. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity. Set out below are the detailed descriptions of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the Amended Share Award Scheme.

### Category of Service

Provider	Contribution to the Group	Criteria for determining eligibility
Suppliers, contractors and distributors	<p>Service Providers under this category are suppliers, contractors and distributors which the Group engages for its day-to-day operation in the business of the Group including but not limited to</p> <p>(a) property investment (such as property development, sale and lease of property);</p> <p>(b) sale of financial assets business (such as provision of market insights and risk analysis services);</p> <p>(c) money lending business (such as provision of market insights and risk analysis services);</p> <p>(d) design and sale of jewelry products (such as provision of design, supply of materials, products production, products distributions);</p> <p>(e) operation of membership golf club and resort (such as provision of club and resort management service, supply of necessity for daily management); and</p> <p>(f) provision of services or products to the Group to render day-to-day management and operation services.</p>	<p>(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</p> <p>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods;</p> <p>(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</p> <p>(iv) the Group's period of engagement of or collaboration with the Service Provider; and</p> <p>(v) the Service Provider's actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.</p>



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## LETTER FROM THE BOARD

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**Category of Service  
Provider**

**Contribution to the Group**

**Criteria for determining eligibility**

Agents, consultants  
and advisers

Service Providers under this category include agents, consultants and advisers who provide advisory and/or consulting services to the Group's principal business or day-to-day operation including but not limited to finance and accounting services, legal related services, marketing and promotion services, technical services, business opportunities introduction, administration services, operation management, strategic planning and consulting services.

The above services are provided in areas relating to the Group's principal business activities and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the relevant fields.

- (i) the background, expertise, professional qualifications and industry experience of the Service Provider;
- (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods (if any);
- (iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));
- (iv) the Group's period of engagement of or collaboration with the Service Provider;
- (v) the benefits and strategic value brought or to be brought by the Service Provider to the Group's development and future prospects with regard to factors such as the actual or expected change in the Group's profits and/or income which is or may be attributable to the Service Provider's collaboration with the Group; and
- (vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

Considering (i) that the Related Entity Participants and the Service Providers would contribute to the operation and long-term growth of the Group's businesses; (ii) that the success of the Group requires the cooperation and contribution not only from its directors and employees, but also from various other parties who play an instrumental role in and make actual or potential contributions to the business and development of the Group; and (iii) the factors which the Board will take into account in assessing the eligibility of

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## LETTER FROM THE BOARD

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Related Entity Participants and Service Providers are also highly linked to the actual or future contribution made by them to the Group, the Board (including the independent non-executive Directors) is of the view that it would be in the Company's interest to also have the flexibility to grant Awards to the Service Providers and the Related Entity Participants in recognition of their contribution to the Group. Such arrangement also enables the Group to preserve its cash resources and use share-based incentives to encourage persons outside of the Group towards their contribution to the Group. The Directors (including the independent non-executive Directors) also consider that the inclusion of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm of providing equity based payment to stakeholders since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Awards to these non-employee Eligible Participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. In addition, it is in line with the modern commercial practice with reference to other companies listed on the Exchange to include participants, i.e. the Service Providers, in their respective share scheme(s), such that such participants can be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company for the benefit of the Group as a whole. Therefore, the Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants and Service Providers as Eligible Participants is consistent with the purpose of the Amended Share Awards Scheme.

### *Vesting Period*

The Vesting Period shall not be less than twelve months, provided that for Employee Participants, the Vesting Date may be less than 12 months from the grant date (including on the grant date). Set out below are the exhaustive circumstances which may trigger a shorter Vesting Period:

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

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## LETTER FROM THE BOARD

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- (g) where there is an occurrence of any of the events regarding death, general or partial offer as set out in paragraphs (9) of Appendix II to this circular.

The Board (including the independent non-executive Directors) is of the view that the discretion in allowing a shorter vesting period allows the Company to (i) retain flexibility in certain cases to provide a competitive remuneration package to attract and retain talents and experts to work for or provide services to the Group; (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; (iv) motivate exceptional performers based on performance metrics rather than time including but not limited to attainment of financial targets such as increase in revenue; (v) maintain the affirmation regarding the Eligible Participants' prior contributions to the Group in light of his/her death; and (vi) ensure the rights of the Employee Participants in respect of their Awarded Shares, who remain as employees of the Group, upon the happening of general offer or partial-offer which are beyond the control of the Employee Participants. Given the above, the Board (including the independent non-executive Directors) is of the view that such arrangements are appropriate and in line with the purpose of the Amended Share Award Scheme.

### *Performance target and clawback mechanism*

Please refer to paragraphs (9) and (11) of Appendix II to this circular in relation to the imposition of any performance target and clawback mechanisms attached to Awards to be granted or granted under the Amended Share Award Scheme. As the circumstances for each grant may vary, it may not always be appropriate to impose a generic set of performance target or clawback mechanism. The Options may or may not contain any performance target or clawback mechanism. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets or clawback mechanism will be attached to each grant in light of the specific circumstances of each Eligible Participant. The Board and the remuneration committee of the Company will consider all relevant circumstances including the purpose of the grant and the category of the Eligible Participants in determining whether any performance target or clawback mechanism should be imposed. By allowing the Company to impose such performance targets and/or clawback mechanism on a case by case basis, the Board (including the independent non-executive Directors) consider the Company will be in a better position to retain such Eligible Participants to continue serving the Company and to provide incentives to such Eligible Participants in achieving the goals of the Group, which align with the purpose of the Amended Share Award Scheme.

If any performance targets are imposed, the Board may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time.

Other than the circumstances under which the Awards shall lapse automatically as set out in the Amended Share Award Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Selected Participant, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Selected

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## LETTER FROM THE BOARD

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Participant to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board (including the independent non-executive Directors) is of the view that the performance target and clawback mechanism allow more flexibility for the Board in setting the terms and conditions of the Awards under particular circumstances of each grant. By facilitating the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, the performance target and clawback mechanism are considered to be beneficial to the Group and the Shareholders as a whole.

### **Adoption conditions for the Amended Share Award Scheme**

The adoption of the proposed amendments to the Existing Share Award Scheme is conditional upon:

- (A) the passing of an ordinary resolution by the Shareholders at a general meeting to approve the proposed amendments to the Existing Share Award Scheme and authorising the Directors to grant Awards thereunder and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Amended Share Award Scheme; and
- (B) the Listing Committee of the Exchange granting approval of the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the grant of Awards in accordance with the terms and conditions of the Amended Share Award Scheme.

### **SGM**

A notice convening the SGM to be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 15 August 2024 at 11:30 a.m. is set out on pages 62 to 65 of this circular. Ordinary resolutions will be proposed at the SGM to approve (i) the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (ii) the proposed amendments to the Existing Share Award Scheme.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under (i) the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (ii) the proposed amendments to the Existing Share

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## **LETTER FROM THE BOARD**

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Award Scheme. As such, no Shareholder will be required to abstain from voting on the resolutions to approve the above matters. Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 12 August 2024 to Thursday, 15 August 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder to be eligible to attend and vote at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 August 2024.

### **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.

### **RECOMMENDATION**

Having considered the reasons set out above, the Directors consider that (i) the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (ii) the proposed amendments to the Existing Share Award Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

### **DOCUMENT ON DISPLAY**

A summary of the principal rules of the New Share Option Scheme and the Amended Share Award Scheme are set out in Appendix I and II to this circular, respectively. A copy of the New Share Option Scheme and the Amended Share Award Scheme will be made available for inspection at the SGM and will be published on the websites of the Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ernityinv.com.hk](http://www.ernityinv.com.hk)) for not less than 14 days before the date of the SGM.

### **MISCELLANEOUS**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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## LETTER FROM THE BOARD

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### GENERAL

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

Yours faithfully,  
For and on behalf of  
**Eternity Investment Limited**  
**Lei Hong Wai**  
*Chairman*

*The following is a summary of the principal rules of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the New Share Option Scheme.*

**(1) PURPOSE**

The purpose of the New Share Option Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

**(2) ELIGIBLE PARTICIPANTS AND BASIS OF DETERMINING THE ELIGIBLE PARTICIPANTS**

Eligible Participants include (i) the Employee Participants; (ii) the Related Entity Participants; and (iii) the Service Providers, provided that the Board may have absolute discretion to determine whether or not one falls within the above category. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

For Employee Participants, the Board will generally consider, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group.

For Related Entity Participants, the Board will generally consider, amongst others, (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position in the related entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; (vi) the materiality and nature of the business relation between the related entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand; and (vii) the Related Entity Participant's contribution in such related entity which may benefit the core business of the Group through a collaborative relationship.

Service Providers who are eligible under the New Share Option Scheme are categorised into (a) suppliers, contractors and distributors and (b) agents, consultants and advisers. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity. Set out below are the detailed descriptions of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme.

**Category of Service Provider**

<b>Provider</b>	<b>Contribution to the Group</b>	<b>Criteria for determining eligibility</b>
Suppliers, contractors and distributors	<p>Service Providers under this category are suppliers, contractors and distributors which the Group engages for its day-to-day operation in the business of the Group including but not limited to</p> <p>(a) property investment (such as property development, sale and lease of property);</p> <p>(b) sale of financial assets business (such as provision of market insights and risk analysis services);</p> <p>(c) money lending business (such as provision of market insights and risk analysis services);</p> <p>(d) design and sale of jewelry products (such as provision of design, supply of materials, products production, products distributions);</p> <p>(e) operation of membership golf club and resort (such as provision of club and resort management service, supply of necessity for daily management); and</p> <p>(f) provision of services or products to the Group to render day-to-day management and operation services.</p>	<p>(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</p> <p>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods;</p> <p>(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</p> <p>(iv) the Group’s period of engagement of or collaboration with the Service Provider; and</p> <p>(v) the Service Provider’s actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.</p>



Category of Service Provider	Contribution to the Group	Criteria for determining eligibility
Agents, consultants and advisers	<p>Service Providers under this category include agents, consultants and advisers who provide advisory and/or consulting services to the Group's principal business or day-to-day operation including but not limited to finance and accounting services, legal related services, marketing and promotion services, technical services, business opportunities introduction, administration services, operation management, strategic planning and consulting services.</p> <p>The above services are provided in areas relating to the Group's principal business activities and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the relevant fields.</p>	<ul style="list-style-type: none"> <li>(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</li> <li>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods (if any);</li> <li>(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</li> <li>(iv) the Group's period of engagement of or collaboration with the Service Provider;</li> <li>(v) the benefits and strategic value brought or to be brought by the Service Provider to the Group's development and future prospects with regard to factors such as the actual or expected change in the Group's profits and/or income which is or may be attributable to the Service Provider's collaboration with the Group; and</li> <li>(vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.</li> </ul>

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

**(3) GRANT AND ACCEPTANCE OF OPTIONS**

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

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his/her Personal Representative(s)) for a period of thirty (30) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

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

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

**(4) VESTING PERIOD**

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

The Board (or the remuneration committee of the Company where it relates to grants of Options to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter vesting period to an Employee Participant. Set out below are the exhaustive circumstances which may trigger a shorter vesting period:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (f) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date; or
- (g) where there is an occurrence of any of the events regarding death, ill-health or retirement, general offer, winding up, reconstruction, compromise or arrangement as set out in paragraphs (15), (16), (18), (19) and (20) below.

**(5) EXERCISE OF THE OPTIONS**

An Option shall be exercisable in whole or in part by the Grantee (or, as the case may be, his/her Personal Representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the Subscription Price in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of Company’s auditors or independent financial adviser, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his/her Personal Representative(s)) a share certificate for every board lot of Shares so allotted.

No dividends shall be payable in relation to the Shares that are the subject of Options that have not been exercised. The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised.

**(6) THE SUBSCRIPTION PRICE**

The Subscription Price shall, subject to any adjustments made pursuant to the New Share Option Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:

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

**(7) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE**

Subject to the Listing Rules,

- (a) the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals 10% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date i.e. the Scheme Mandate Limit. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit;
- (b) subject to the foregoing paragraph (7)(a) above, within the Scheme Mandate Limit, the maximum number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date i.e. the Service Provider Sublimit;
- (c) the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10% of the relevant class of

Shares in issue (excluding treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit. For the purpose of seeking approval of Shareholders under this paragraph, the Company must send a circular to its Shareholders containing the information required under the Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules; and

- (d) the Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this paragraph, the Company must send a circular to the Shareholders containing the name of each Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

**(8) MAXIMUM ENTITLEMENTS TO DIRECTORS, CHIEF EXECUTIVE OF THE COMPANY OR SUBSTANTIAL SHAREHOLDERS**

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

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

The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(3) of the Listing Rules may vote against the resolution at the general meeting

of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription Price;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) the information required under the Listing Rules and the Exchange from time to time.

Any change in the terms of Options granted to a Grantee who is a Director, chief executive of the Company or substantial Shareholder (as defined in the Listing Rules), or any of their respective associates, must be approved by the Shareholders in the manner as set out above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

**(9) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

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

**(10) TIME OF EXERCISE OF THE OPTIONS**

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

**(11) PERFORMANCE TARGETS AND CLAWBACK MECHANISM**

Subject to the New Share Option Scheme and the Listing Rules, the Board may at its absolute discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto including the vesting period and/or the achievement of any performance targets by the Company and/or the Grantee before the Option shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme.

If any performance targets are imposed, the Board may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time.

Other than the circumstances under which the Options shall lapse automatically as set in the New Share Option Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

**(12) RESTRICTIONS ON THE TIME OF GRANT OF THE OPTIONS**

No Option shall be granted by the Board:

- (1) after inside information (having the meaning defined in the SFO) has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and

- (2) during the period commencing from thirty (30) days immediately before the earlier of:
- (a) the date of the meeting of the Board (as such date is first notified to the 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 announcements (or during any period of delay in publishing results announcements).

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

- (i) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Section C of Appendix C3 to the Listing Rules.

**(13) RIGHTS ARE PERSONAL TO THE GRANTEES**

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

**(14) RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

In the event of the Grantee who is an Employee Participant or Related Entity Participant ceasing to be an Eligible Participant (i) for any reason other than those specified in paragraphs (15) and (16) below; or (ii) by reason of voluntary resignation or dismissal or upon expiration of his/her term of directorship (unless immediately renewed upon expiration), or by termination of his/her employment or directorship on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee, the Group or related



entity into disrepute) or any other ground(s) on which the Group or related entity would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his/her Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option shall be returned.

**(15) RIGHTS ON DEATH**

In the event of the Grantee ceasing to be an Eligible Participant by reason of his/her death before exercising the Option in full, and where the Grantee is an Employee Participant or Related Entity Participant and none of the events which would be a ground for termination of his/her employment or directorship under paragraph (14) above arises, his/her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme within a period of one (1) month following the date of death, or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the period of one (1) month or at the expiration of the Option Period, whichever is earlier, if any of the events referred to in paragraphs (18) to (20) below occur during such period, exercise the Option pursuant to paragraphs (18) to (20) below respectively.

Notwithstanding any contrary provisions set out above, the vesting period for the Grantees who are not Employee Participants shall not be less than 12 months.

**(16) RIGHTS ON ILL-HEALTH OR RETIREMENT**

In the event of the Grantee who is an Employee Participant or Related Entity Participant ceasing to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his/her contract of employment before exercising the Option in full, he/she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the New Share Option Scheme within a period of one (1) month following the date of such cessation or, if any of the events referred to in paragraphs (18) to (20) below occurs during such period, exercise the Option pursuant to paragraphs (18) to (20) below respectively.

Notwithstanding any contrary provisions set out above, the vesting period for the Grantees who are not Employee Participants shall not be less than 12 months.

**(17) RIGHTS ON BREACH OF CONTRACTS**

In the event of the Grantee who is a Service Provider cease to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal

offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Option (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option shall be returned.

**(18) RIGHTS ON GENERAL OFFER**

If a general or partial offer, whether by way of takeover offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the offeror), the Company shall use all its reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her/its Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

Notwithstanding any contrary provisions set out above, the vesting period for the Grantees who are not Employee Participants shall not be less than 12 months.

**(19) RIGHTS ON WINDING UP**

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 it despatches such notice to each Shareholder give notice thereof to all Grantees and thereupon, each Grantee or his/her Personal Representative(s) shall be entitled to exercise all or any of his/her/its Options (to the extent not already exercised) by giving notice in writing to the Company (such notice shall be received by the Company no later than two (2) trading days prior to the proposed general meeting), accompanied by a remittance for the full amount of the aggregate Subscription 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 trading day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

Notwithstanding any contrary provisions set out above, the vesting period for the Grantees who are not Employee Participants shall not be less than 12 months.

**(20) RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) trading days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”). Any Grantee or his/her Personal Representative(s) may by notice in writing to the Company, accompanied by a remittance of the full amount of the aggregate Subscription 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 3:00 p.m. on the trading day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his/her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

Notwithstanding any contrary provisions set out above, the vesting period for the Grantees who are not Employee Participants shall not be less than 12 months.

**(21) CANCELLATION OF THE OPTIONS**

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

**(22) EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the Company’s auditors or independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or the Subscription Prices of any unexercised Options.

An adjustment as so certified by the Company's auditors or the independent financial adviser shall be made, provided that (i) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he/she/it exercised all the Options held by him/her/it immediately prior to such event; and (iv) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

**(23) RANKING OF THE SHARES**

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

**(24) DURATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall be valid and effective from the Adoption Date, until the Termination Date i.e. close of business of the Company on the date which falls ten (10) years after the Adoption Date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

**(25) ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME**

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

- (a) any alteration to the advantage of the Eligible Participants in relation to any matter contained in Rule 17.03 of the Listing Rules;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme;

- (c) any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of the New Share Option Scheme;
- (d) the provisions of the New Share Option Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Option Period” and “Termination Date”; and
- (e) the provisions regarding purpose, duration, grant and acceptance of the Options, early termination, Subscription Price, exercise of the Options, maximum number of Shares available for subscription, reorganisation of capital structure, cancellation of the Options, share capital and alteration of the New Share Option Scheme.

The amended terms of the New Share Option Scheme and the Options shall comply with the relevant requirements under Chapter 17 of the Listing Rules.

**(26) LAPSE OF THE OPTIONS**

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph (13);
- (c) the expiry of any of the periods referred to in paragraphs (14) to (20); and
- (d) the date of the commencement of the winding-up of the Company.

**(27) TERMINATION**

The Company by an ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(28) CONDITIONS OF THE NEW SHARE OPTION SCHEME**

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

*This appendix summaries the principal terms of the Amended Share Award Scheme but does not form part of nor is it intended to be part of the Amended Share Award Scheme, nor should it be taken as effecting the interpretation of the rules of the Amended Share Award Scheme.*

**(1) PURPOSE OF THE AMENDED SHARE AWARD SCHEME**

The purpose of the Amended Share Award Scheme is, through an award of Shares, to:

- (A) recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and
- (B) to attract suitable personnel for further development of the Group.

**(2) ADMINISTRATION**

The Amended Share Award Scheme shall be subject to the administration of the Board whose decisions on all matters arising in relation to the Amended Share Award Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice:

- (A) the powers of the Trustee as provided under the Trust Deed, or
- (B) the powers of the remuneration committee of the Board (or such committee or such sub-committee or person(s) delegated with such power and authority by the Board) on recommending and/or deciding (on and subject to the terms and conditions provided under the Amended Share Award Scheme) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under the Amended Share Award Scheme.

A Selected Participant shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Amended Share Award Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Board may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

**(3) ELIGIBILITY**

The eligibility of each of the Selected Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.

For Employee Participants, the Board will generally consider, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or

employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group.

For Related Entity Participants, the Board will generally consider, amongst others, (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position in the related entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the materiality and nature of the business relation between the related entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such related entity which may benefit the core business of the Group through a collaborative relationship.

(A) In addition, Service Providers who are eligible under the Amended Share Award Scheme are categorised into (a) suppliers, contractors and distributors and (b) agents, consultants and advisers. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity. Set out below are the detailed descriptions of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the Amended Share Award Scheme:

<b>Category of Service Provider</b>	<b>Contribution to the Group</b>	<b>Criteria for determining eligibility</b>
Suppliers, contractors and distributors	<p>Service Providers under this category are suppliers, contractors and distributors which the Group engages for its day-to-day operation in the business of the Group including but not limited to</p> <p>(a) property investment (such as property development, sale and lease of property);</p> <p>(b) sale of financial assets business (such as provision of market insights and risk analysis services);</p> <p>(c) money lending business (such as provision of market insights and risk analysis services);</p> <p>(d) design and sale of jewelry products (such as provision of design, supply of materials, products production, products distributions);</p> <p>(e) operation of membership golf club and resort (such as provision of club and resort management service, supply of necessity for daily management); and</p> <p>(f) provision of services or products to the Group to render day-to-day management and operation services.</p>	<p>(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</p> <p>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods;</p> <p>(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</p> <p>(iv) the Group's period of engagement of or collaboration with the Service Provider; and</p> <p>(v) the Service Provider's actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.</p>



Category of Service Provider	Contribution to the Group	Criteria for determining eligibility
Agents, consultants and advisers	<p data-bbox="584 395 983 836">Service Providers under this category include agents, consultants and advisers who provide advisory and/or consulting services to the Group’s principal business or day-to-day operation including but not limited to finance and accounting services, legal related services, marketing and promotion services, technical services, business opportunities introduction, administration services, operation management, strategic planning and consulting services.</p> <p data-bbox="584 880 983 1172">The above services are provided in areas relating to the Group’s principal business activities and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the relevant fields.</p>	<ul style="list-style-type: none"> <li data-bbox="1015 395 1410 534">(i) the background, expertise, professional qualifications and industry experience of the Service Provider;</li> <li data-bbox="1015 580 1410 795">(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods (if any);</li> <li data-bbox="1015 842 1410 1172">(iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies));</li> <li data-bbox="1015 1219 1410 1327">(iv) the Group’s period of engagement of or collaboration with the Service Provider;</li> <li data-bbox="1015 1374 1410 1770">(v) the benefits and strategic value brought or to be brought by the Service Provider to the Group’s development and future prospects with regard to factors such as the actual or expected change in the Group’s profits and/or income which is or may be attributable to the Service Provider’s collaboration with the Group; and</li> </ul>

Category of Service Provider	Contribution to the Group	Criteria for determining eligibility
		(vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.
(B) In assessing the eligibility of each category of Service Provider and whether such Service Provider provides services on a continuing or recurring basis in the Group's ordinary and usual course of business, the Board or the committee of the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.		

**(4) POOL OF AWARDED SHARES**

The Trustee may, at any time during the continuation of the Amended Share Award Scheme and the Trust Deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee (or SPV as authorised by the Trustee) pursuant to the Trust Deed (the “**Shares Pool**”) comprising the following:

- (A) such Shares as may be (i) transferred to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) from any person (other than the Group) by way of gift, or (ii) subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) by utilising the funds received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) from the Gift Contribution;
- (B) such Shares as may be subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) by utilising the Group Contribution;
- (C) such Shares as may be subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) at its discretion by utilising any surplus Gift Contribution or, as the case may be, the net proceeds of the sale of the relevant nil-paid rights, options or warrants;
- (D) such Returned Shares which remain unvested and revert to the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee).

**(5) MAXIMUM NUMBER OF SHARES**

The maximum number of Shares which may be allotted and issued in respect of all Awards to be granted under the Amended Share Award Scheme and any options and awards to be granted under any other schemes to an Eligible Participant shall not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the Amended Share Award Scheme (i.e. 381,960,648 Shares). Notwithstanding that the Group Contribution threshold may be sufficient to subscribe or purchase such number of Shares that is greater than the Scheme Mandate Limit, the Board shall not instruct the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) to subscribe or purchase any Shares for the purpose of the Amended Share Award Scheme when such subscription or purchase will result in the Scheme Mandate Limit, if any, being exceeded.

The maximum number of Shares which may be awarded under the Amended Share Award Scheme and any other schemes to a Service Provider shall not exceed 1% of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the Shareholders at a general meeting (i.e. 38,196,064 Shares) unless otherwise determined by independent Shareholders in general meeting. For the avoidance of doubt, the Service Provider Sublimit is a sub-limit within and subject to the Scheme Mandate Limit.

The Board may determine from time to time the maximum number of Awarded Shares which may be provisionally awarded to any Selected Participant. The Board may seek approval by Shareholders in general meeting for refreshing the Scheme Mandate Limit and Service Provider Sublimit after three years from the Adoption Date or the date of approval of the last refreshment (as the case may be). Any refreshment of each of the Scheme Mandate Limit and the Service Provider Sublimit must be approved by the independent Shareholders subject to the following provisions:

- (A) any the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (B) the Company must also comply with the requirements under rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements set out in (A) and (B) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole share.

**(6) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT OTHER THAN ANY DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY**

The maximum number of Shares issued or to be issued in respect of all options and awards granted to a Selected Participant at any one time or in aggregate under the Amended Share Award Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the issued share capital of the Company (excluding treasury Shares) i.e. the Individual Limit. Where any grant to a Selected Participant may result in exceeding the Individual Limit, the Company shall not grant such Shares unless it is separately approved beforehand by the Shareholders in general meeting, with such Selected Participant and his close associates (or associates if the Selected Participant is a connected person) abstaining from voting. The number and terms of awards to be granted to such Selected Participant must be fixed before the Shareholders' approval.

**(7) AWARD OF AWARDED SHARES**

The Board shall, subject to and in accordance with these rules of the Amended Share Award Scheme, be entitled (but shall not be bound) to, at any time during the continuation of the Amended Share Award Scheme, make an Award out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid, as the Board shall determine (including the imposition of conditions of vesting) pursuant to these rules of the Amended Share Award Scheme.

Where any grant to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of his associates would result in the Shares issued and to be issued in respect of all awards granted to such person under the Amended Share Award Scheme and all other share award schemes (excluding any awards lapsed in accordance with the terms of the respective share award schemes) in any 12-month period up to and including the date of such relevant grant, representing in aggregate over 0.1% of the issued share capital of the Company (excluding treasury Shares), such further grant must be approved beforehand by the Shareholders in general meeting, with such Selected Participant, his associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

Where any grant to an independent non-executive Director or substantial shareholder of the Company, or any of his associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the Amended Share Award Scheme and all other share schemes (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the issued share capital of the Company (excluding treasury Shares), such grant must be approved beforehand by the Shareholders in general meeting, with such Selected Participant, his associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

**(8) DEALING RESTRICTIONS**

For so long as the Shares are listed on the Exchange:

- (A) an Award or, as the case may be, any instruction of the Board to the Trustee (who will authorise SPV, if so established and subsisting) to subscribe or acquire Shares for purpose of increasing the Shares in the Shares Pool may not be made after an inside information event has occurred or an inside information matter has been the subject of a decision until such inside information has been published in accordance with the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award may be made;
- (B) the Board may not make an Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and
- (C) during the periods referred to in paragraphs (A) and (B) above, no purchases, subscriptions and/or vesting of Shares can be effected by the Trustee.

**(9) VESTING OF AWARDED SHARES**

The Vesting Period shall not be less than twelve (12) months, provided that for Employee Participants, the Vesting Date may be less than 12 months from the grant date (including on the grant date) in the following circumstances:

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

- (f) grants of Awards with a total vesting and holding period of more than twelve (12) months such as where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date; or
- (g) where there is an occurrence of any of the events regarding death, general or partial offer as set out in this paragraph (9) below.

Save as determined by the Board and provided in the offer letter of the grant of the Award, there is no clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participant.

The Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall transfer to and vest in the relevant Selected Participant (but may be held by the Trustee or SPV on their behalf) if determined by the Board the legal and/or beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award and all the Other Distributions attributable to such Awarded Shares within ten (10) Business Days after the latest of:

- (a) the Earliest Vesting Date as specified in the Award Notice to which such Award relates; and
- (b) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such Selected Participant as specified in the related Award Notice have been attained and notified to the Trustee by the Board in writing.

If the Vesting Date falls on any day on which the Directors are restricted from making any Award, the Vesting Date shall be postponed. The Trustee (or SPV) shall notify the Board in writing at least three Business Days in advance of a proposed Vesting Date and the Board shall instruct the Trustee and concurrently SPV (if so established and subsisting and authorised by the Trustee) in writing at least two Business Days in advance if such proposed Vesting Date has to be postponed by reason of this paragraph, whereupon such proposed Vesting Date shall be postponed to such date as notified by the Board to the Trustee (and SPV, if so established and subsisting and authorised by the Trustee) in writing.

During the Vesting Period, in case of a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), and such offer becomes or is declared unconditional prior to the vesting of the Awarded Shares in the relevant Selected Participants, the Board shall have the right in its absolute discretion to determine whether the Trustee shall elect to accept such offer (or any revised offer) and, if applicable, shall direct the Trustee in writing to accept such offer accordingly. For the avoidance of doubt, the Board shall be deemed to have directed the Trustee not to accept that offer (or revised offer) if no direction in writing in relation to that offer (or revised offer) is actually received by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) within ten (10) Business Days after the date of that offer (or revised offer). In the event that the offer (or revised offer) is so elected to be accepted, all proceeds in respect of the

Awarded Shares paid or payable to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) by reason of such acceptance shall be held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) for the benefit of the relevant Selected Participant, and the same shall only be payable to the relevant Selected Participant on the Vesting Date of the Award relating to such Selected Participant has not lapsed or been cancelled under the Amended Share Award Scheme.

In the event of the death of a Selected Participant who is an Employee Participant, the Trustee (or SPV, if so established and subsisting and authorised by the Trust) shall hold the vested Awarded Shares and the Other Distributions (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the legal personal representatives of the Selected Participant and subject as aforesaid the Trustee (or SPV, if so established and subsisting and authorised by the Trust) shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within:

- (A) two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or
- (B) the Trust Period,

(whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Participant, as notified by the Board in writing together with a copy of the death certificate of such Selected Participant or such other documents or evidence of death of such Selected Participant as may be reasonably required by the Trustee, whereupon the Trustee shall be discharged from all duties and liabilities in respect of such Selected Participant or, if the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable and such Benefits (other than such Other Distributions in cash so forfeited which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with the Amended Share Award Scheme and, upon termination of the Amended Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) shall be held as Returned Shares for the purposes of the Amended Share Award Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee (or SPV as authorised by the Trustee) in every way as if they had remained part of the trust fund of the trust constituted by the Trust Deed.

Notwithstanding any contrary provisions set out above, the Vesting Period for the Selected Participants who are not Employee Participants shall not be less than 12 months.

#### **(10) LAPSE OF AWARDS AND RETURNED SHARES**

In the event that any Selected Participant who is an Employee Participant ceases to be an Employee Participant by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled unless otherwise determined by the Board.

In the event the Award is cancelled but a new Award is made to the same Selected Participant, such new Award may only be made with available Scheme Mandate Limit approved by Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Save as provided in the Amended Share Award Scheme and subject to the Listing Rules and determined otherwise by the Board at its sole discretion, in the event:

- (A) a Selected Participant who is an Employee Participant ceases to be an Employee Participant (other than death or retirement, or by reason of redundancy or by unilateral termination of employment by the Company without cause); or
- (B) the Subsidiary by which a Selected Participant is employed as an Employee Participant ceases to be a Subsidiary (or of a member of the Group); or
- (C) the Selected Participant has been summarily dismissed by the Company; or
- (D) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in The People's Republic of China, Hong Kong or any other applicable laws or regulations in force from time to time; or
- (E) the Selected Participant is deceased, disabled or becomes mentally incapacitated; or
- (F) any of the vesting conditions upon an Award to the relevant Selected Participant as determined by the remuneration committee and the Board was not fulfilled; or
- (G) the Selected Participant retires by agreement with the Company at any time prior to or on the Vesting Date; or
- (H) the Board shall at its absolute discretion determine in respect of a Selected Participant (other than an Employee Participant) that (a) the Selected Participant or his/her associate has committed any material breach of any contract entered into between the Selected Participant on the one hand and any member of the Group on the other hand; or (b) the Selected Participant has become bankrupt or unable to pay his/her debts, or is subject to any act of bankruptcy or analogous proceedings or has made any arrangement or composition with his/her creditors generally or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reason whatsoever; or
- (I) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company).



(each of these, an event of Total Lapse), the Award shall automatically lapse forthwith and all the Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board and, upon termination of the Amended Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Amended Share Award Scheme.

In the event of Partial Lapse, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to subscribe for or purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board and, upon termination of the Amended Share Award Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Amended Share Award Scheme.

Except in the circumstances as set out in the Amended Share Award Scheme in respect of the death of a Selected Participant (being an Employee Participant) or retirement of a Selected Participant (being an Employee Participant) at his/her normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total Lapse,

- (A) subject to sub-paragraph (C) and barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, one month prior to any Vesting Date, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall send to the relevant Selected Participant (with a copy to the Company) a notice in writing together with such prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and Other Distributions attributable thereto on the relevant Vesting Date;
- (B) subject to the receipt by the Trustee no later than the date falling seven Business Days before the Earliest Vesting Date of (i) transfer documents prescribed by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) and duly signed by the Selected Participant within the period stipulated in the notice in, and (ii) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall transfer the relevant Awarded Shares and the Other Distributions in respect thereof to the relevant Selected Participant; and
- (C) in the event that the number of Business Days between the date of the Award Notice and the Earliest Vesting Date is less than one month, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall (within five Business Days from the date of it being notified by the Board of the making of the Award) send to the relevant Selected Participant (with a copy to the Company) a notice in writing together with such prescribed

transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and Other Distributions attributable thereto on the relevant Vesting Date.

The Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Employees) as the Board shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

**(11) PERFORMANCE TARGETS**

Subject to the Amended Share Award Scheme and the Listing Rules, the Board may at its absolute discretion when making an Award impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Selected Participant before the Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Awards granted to any Selected Participant) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Amended Share Award Scheme.

**(12) AMOUNT PAYABLE ON APPLICATION OR ACCEPTANCE OF AN AWARD**

The Selected Participants shall not be required to bear or pay any price or fee for the acceptance of the Award.

**(13) PURCHASE PRICE OF AWARDED SHARES**

The Selected Participants shall not be required to bear or pay any price or fee for the acceptance of the Award.

**(14) VOTING AND DIVIDEND RIGHTS**

The Trustee or SPV (if so established and subsisting) shall not exercise the voting rights in respect of any Shares held by them for the purpose of the Amended Share Award Scheme (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Further Shares, the Returned Shares, any bonus Shares and scrip Shares) save that if the Shares held by the Trustee or SPV, as the case may be, is vested and held on behalf of a Connected Person who is a party to a connected transaction with the Group, then the Trustee or SPV (as the case may be) shall not vote those relevant Shares in respect of such transaction. For the avoidance of doubt, the Trustee or SPV holding unvested Shares in the Amended Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them and all Other Distributions attributable thereto unless and until the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) has transferred and vested the beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms hereof. For the avoidance of doubt:

- (A) a Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date, and shall only have a contingent interest in the Awarded Shares and the Other Distributions which are referable to him/her subject to the vesting of such;
- (B) a Selected Participant shall have no rights in the Residual Cash or such other trust fund or property held by the Trust or any of the Returned Shares;
- (C) no instructions may be given by a Selected Participant to the Trustee (or SPV) in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed;
- (D) a Selected Participant shall have no rights in the balance fractional share of the Other Distributions of an Award and the fractional share arising out of consolidation of Shares (and such Shares shall be deemed as Returned Shares for the purposes of the Amended Share Award Scheme);
- (E) where a Selected Participant ceases to be an Employee Participant on the relevant Vesting Date, the award of the Awarded Shares and the Other Distributions in respect of the relevant Vesting Date shall lapse, such Awarded Shares and Other Distributions shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Trustee or SPV; and
- (F) in the case of the death of a Selected Participant who is an Employee Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period as prescribed in the Amended Share Award Scheme, and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee or SPV.

If, after vesting of Awarded Shares on a Selected Participant, the Selected Participant requests (“**Request**”) that the Awarded Shares continued to be held on his/her behalf or sold on his/her behalf, the Board shall in its sole discretion consider whether such Request is reasonable and/or feasible and, after discussing with the Trustee or the board of directors of SPV (as applicable), inform the relevant Selected Participant the decision in relation to such Request. If the Request is accepted, the Trustee or SPV (as the case may be) shall either hold the Awarded Shares for a period as agreed by the Selected Participant and the Board after which the Awarded Shares shall be transferred to the Selected Participant or the Awarded Shares shall be sold on market and the net proceeds therefrom transferred

to the Selected Participant. The Selected Participant shall bear all costs, fees, brokerages and expenses in connection with the sale of such Awarded Shares. If the Request is denied, the Awarded Shares shall be transferred to the relevant Selected Participant as soon as practicable.

The Awarded Shares do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

**(15) DURATION AND TERMINATION OF THE AMENDED SHARE AWARD SCHEME**

The Amended Share Award Scheme shall be valid and effective for a term of ten (10) years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but these rules of the Amended Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

The Amended Share Award 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 Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

If, at the date of the termination of the Amended Share Award Scheme, the Trustee (or SPV, if, at the date of the termination of the Amended Share Award Scheme, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) holds any Shares which has not been set aside in favour of any Selected Participant or retains any unutilised funds received as the Group Contribution or Gift Contribution or otherwise, then the Trustee (or SPV, as the case may be) shall, within thirty Business Days of receiving actual notice of such termination (or such longer period as the Board may otherwise determine), sell such Shares and forthwith after the sale remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

Upon termination of the Amended Share Award Scheme:

- (A) Returned Shares and such non-cash income remaining in the trust fund (but not constituting to Other Distributions attributable to any particular Selected Participants) shall be sold by the Trustee (or via SPV, if so established and subsisting and authorised by the Board), within thirty Business Days (on which the trading of the Shares has not been suspended) of receiving actual notice of such termination of the Amended Share Award Scheme (or such longer period as the Board may otherwise determine); and
- (B) Residual Cash, net proceeds of sale and such other funds remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith

after the sale or on termination, as the case may be. For the avoidance of doubt, neither the Trustee nor SPV (if so established and subsisting) may transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares).

For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Amended Share Award Scheme.

**(16) ADJUSTMENTS AND EFFECT OF ALTERATION OF CAPITAL STRUCTURE**

In the event of (i) any alteration in the capital structure of the Company whilst any Award remains unvested, such as capitalisation of profits or reserves, rights issue, consolidation, sub-division, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or an issue of shares pursuant to, or in connection with, any share scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any Subsidiary), or (ii) in the event of any distribution of the Company's capital assets to its shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its shareholders for each financial year of the Company, the Board shall determine and make alterations (if any) to the number of Shares to be granted subject to the Award so far as unvested.

Any such alteration shall be subject to a written confirmation from an independent financial adviser or the Company's auditors to the Directors, either generally or as regard any particular Selected Participant, to have given the Selected Participants the same proportion (or rights in respect of the same proportion) of the equity capital value as that to which that person was previously entitled, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. The capacity of the independent financial adviser or the Company's auditors (as the case may be) in this paragraph is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Selected Participant.

**(17) RANKING OF SHARES**

The Awarded Shares to be allotted and issued (or the treasury Shares to be transferred, as applicable) pursuant to the rules of the Amended Share Award Scheme shall be identical to all existing issued Shares and shall be allotted and issued (or transferred) subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Selected Participant is registered on the register of members of the Company (or the date of transfer of treasury Shares, as the case may be). For the avoidance of doubt, a Selected Participant shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

**(18) TRANSFERABILITY**

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so provided that the Selected Participant may assign the Award to a company beneficially wholly-owned by the Selected Participant. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant.

**(19) CANCELLATION OF AWARDS**

An Award that has not been vested may be cancelled by the Board (i) with the consent of the relevant Selected Participant; or (ii) the Selected Participant committing a breach as referred to in the Amended Share Award Scheme. For the avoidance of doubt, where the Company cancels Awards granted to a Selected Participant and makes a new grant to the same Selected Participant, such new grant may only be made with available Scheme Mandate Limit, and that Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

**(20) ALTERATION OF THE AMENDED SHARE AWARD SCHEME**

The Amended Share Award Scheme may be amended in any respect by the Board or the Board by a board resolution provided that no such amendment shall operate to affect adversely the terms of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected participants as would be required of the holders of the Shares under the Bye-laws for the time being for a variation of the rights attached to the Shares, and provided that no such amendment or alteration to the Amended Share Award Scheme which affects the Trustee's rights and obligations under this Trust Deed shall be made without the prior written consent of the Trustee (save as may be required to comply with the applicable laws, rules or regulations including amongst others the Listing Rules and/or the SFO).

Any alteration, amendment or waiver to the Amended Share Award Scheme (i) of a material nature; (ii) relates to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Selected Participants or the Eligible Participants; or (iii) relates to the authority of the Board or Trustee to alter the Amended Share Award Scheme, shall be approved by the Shareholders. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material, and such determination shall be conclusive.

Any change to the terms of any Award granted to a Selected Participant must be approved by the Directors, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Directors, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be), in accordance with the terms of the Amended Share Award Scheme and Chapter 17 of the Listing Rules, except where the alterations take effect automatically under the existing terms of the Amended Share Award Scheme.

The Company shall notify the Trustee in writing as soon as practicable after such amendment or alteration is made to the Amended Share Award Scheme by the Board or the Board by a board ordinary resolution.

In case there is more than one Trustee, written notice of any amendment to the Amended Share Award Scheme made by Board directly or Board resolution shall be given to all Trustees.

The amended terms of the Amended Share Award Scheme shall comply with applicable laws, rules and regulations including but not limited to the Listing Rules and/or the SFO.

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## NOTICE OF SGM

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# ETERNITY INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting of Eternity Investment Limited (the “**Company**”) will be held at Meeting Room (Soho 1), 6/F., ibis Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Thursday, 15 August 2024 at 11:30 a.m. to transact the following ordinary business:

### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Exchange**”) granting the approval for the listing of, and the permission to deal in, the shares of the Company (the “**Shares**”) to be issued and allotted pursuant to the exercise of any options (the “**Options**”) under the new share option scheme of the Company (the “**New Share Option Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted, and the directors of the Company (the “**Directors**”) or their delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:
  - (i) to administer the New Share Option Scheme under which the Options will be granted to the Eligible Participants (as defined in the New Share Option Scheme and the Amended Share Award Scheme) eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the Options in accordance with the terms of the New Share Option Scheme;
  - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme;



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## NOTICE OF SGM

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- (iii) to grant the Options under the New Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued (and/or to transfer such number of treasury Shares, as applicable) in respect of the Options to be granted under the New Share Option Scheme;
  - (iv) to make application at appropriate time or times to the Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the Options to be granted under the New Share Option Scheme; and
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme;
- (b) the total number of Shares which may be issued (and, together with treasury Shares which may be transferred, as applicable) in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10 per cent. (or such other percentage which may be specified by the Exchange from time to time) of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the New Share Option Scheme or the relevant date of approval of the refreshment of the Scheme Mandate Limit (as defined in the New Share Option Scheme and the Amended Share Award Scheme); and
- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 16 December 2021 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date hereof (if any)).”

2. “**THAT**

- (a) subject to and conditional upon the Listing Committee of the Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued in respect of the awards granted under the amended share award scheme of the Company (the “**Amended Share Award Scheme**”), a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose, the proposed amendments to the share award scheme of the Company adopted on 16 September 2021 (the “**Existing Share Award Scheme**”) be and are hereby approved and adopted, and the directors of the Company or their

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delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Amended Share Award Scheme, including but without limitation:

- (i) to administer the Amended Share Award Scheme under which award shares will be granted to the Eligible Participants eligible under the Amended Share Award Scheme to subscribe for Shares, including but not limited to determining and granting the award shares in accordance with the terms of the Amended Share Award Scheme;
  - (ii) to modify and/or amend the Amended Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Amended Share Award Scheme;
  - (iii) to grant awards of Shares under the Amended Share Award Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued (and/or to transfer such number of treasury Shares, as applicable) in respect of the awards to be granted under the Amended Share Award Scheme;
  - (iv) to make application at appropriate time or times to the Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the awards to be granted under the Amended Share Award Scheme; and
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Amended Share Award Scheme; and
- (b) the total number of Shares which may be issued (and, together with treasury Shares which may be transferred, as applicable) in respect of all options and awards to be granted under the Amended Share Award Scheme and any other schemes of the Company must not in aggregate exceed 10 per cent. (or such other percentage which may be specified by the Exchange from time to time) of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of amendments to the Existing Share Award Scheme or the relevant date of approval of the refreshment of the Scheme Mandate Limit.”

3. **“THAT**

conditional upon the passing of resolutions no. 1 and 2, the Service Provider Sublimit (as defined in the New Share Option Scheme and the Amended Share Award Scheme) (being 1 per cent. of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the New Share Option Scheme and the amendments to the Existing Share Award Scheme) on the total number of Shares that may be issued and treasury Shares that may be transferred in respect of all awards and options to be granted to Service Provider(s) (as defined in the New Share Option Scheme and the Amended Share Award Scheme) under the New Share Option Scheme, the Amended Share Award

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Scheme and any other schemes of the Company be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

By Order of the Board  
**Eternity Investment Limited**  
**Lei Hong Wai**  
*Chairman*

Hong Kong, 29 July 2024

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business in Hong Kong:*  
Unit 1211, Shun Tak Centre  
West Tower  
168-200 Connaught Road Central  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the special general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the special general meeting or any adjournment thereof, should he/she/it so wish.
3. Where there are joint registered holders of any Shares, any one of such holders may vote at the special general meeting, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such holders be present at the special general meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. The register of members of the Company will be closed from Monday, 12 August 2024 to Thursday, 15 August 2024, both days inclusive, during which period no transfer of Shares can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the special general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 9 August 2024.
5. No gifts, food or beverages will be provided to attendees at the special general meeting.