

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**中國恒有源發展集團有限公司**  
**CHYY DEVELOPMENT GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8128)**

**(1) PROPOSED ADOPTION OF THE 2024 SHARE OPTION SCHEME  
AND  
(2) PROPOSED ADOPTION OF THE 2024 SHARE AWARD SCHEME**

**Financial adviser to the Company**



**Diligent Capital Limited**

The Board is pleased to announce that on 30 April 2024 (after trading hours), the Board resolved to propose the adoption of the 2024 Share Schemes for the approval by the Shareholders at the AGM/EGM to be convened by the Company.

**PROPOSED ADOPTION OF THE 2024 SHARE SCHEMES**

The 2020 Share Award Scheme was adopted by the Company on 15 January 2020 and is valid for ten years commencing from the date of adoption. The 2020 Share Award Scheme is funded solely by existing Shares. Considering that the Company may acquire awarded Shares under the 2020 Share Award Scheme from the market with internal funds before adopting the 2024 Share Schemes, the Board has resolved to keep the 2020 Share Award Scheme valid and fully exercisable.

Save for the 2020 Share Award Scheme, the Company had no other subsisting share schemes which have not expired as of the date of this announcement.

The amendments to Chapter 23 of the GEM Listing Rules took effect on 1 January 2023. In this connection, the Board resolved to adopt the 2024 Share Schemes. The provisions of the 2024 Share Schemes will comply with the requirements of the amended Chapter 23 of the GEM Listing Rules, which took effect on 1 January 2023.

The extracted terms of the 2024 Share Schemes are summarised in the appendices of this announcement, while additional details will be included in a circular to be sent to the Shareholders.

## **Reasons for the adoption of the 2024 Share Schemes**

The Board proposed adopting the 2024 Share Schemes to increase the Group's value and align the interests of the Selected Participants directly with the Shareholders through share ownership.

The 2024 Share Schemes aim to (i) recognise the contributions made by certain Selected Participants by providing them with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company.

## **Conditions precedent of the 2024 Share Schemes**

The adoption of the 2024 Share Option Scheme is conditional upon the fulfillment of the following conditions:

- (a) the passing of ordinary resolutions in relation to the 2024 Share Option Scheme by the Shareholders at the AGM/EGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued in respect of all Share Options to be granted in accordance with the terms and conditions of the 2024 Share Option Scheme.

The adoption of the 2024 Share Award Scheme is conditional upon the fulfillment of the following conditions:

- (a) the passing of ordinary resolutions in relation to the 2024 Share Award Scheme by the Shareholders at the AGM/EGM; and
- (b) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued in respect of all Share Awards to be granted in accordance with the terms and conditions of the 2024 Share Award Scheme.

## **GEM LISTING RULES IMPLICATIONS**

The 2024 Share Schemes constitute a share scheme under Chapter 23 of the GEM Listing Rules. In accordance with the GEM Listing Rules, a share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in a general meeting. Accordingly, the adoption of the 2024 Share Schemes will be subject to, among others, the Shareholders' approval at the AGM/EGM.

Application will be made to the GEM Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Share Options and/or Share Awards to be granted under the 2024 Share Schemes.

## GENERAL

A circular containing, among other things, (i) details of the proposed adoption of the 2024 Share Schemes; and (ii) the notice convening the AGM/EGM will be despatched to the Shareholders in due course.

**The proposed adoption of the 2024 Share Schemes is subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing with the Company's securities.**

## DEFINITIONS

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

“2020 Share Award Scheme”	the share award scheme of the Company adopted by the Board on 15 January 2020
“2024 Share Award Scheme”	the share award scheme for the Eligible Persons proposed to be conditionally adopted at the AGM/EGM, a summary of the extracted terms of which is set out in Appendix II of this announcement
“2024 Share Option Scheme”	the share option scheme for the Eligible Persons proposed to be conditionally adopted at the AGM/EGM, a summary of the extracted terms of which is set out in Appendix I to this announcement
“2024 Share Schemes”	collectively, the 2024 Share Award Scheme and the 2024 Share Option Scheme
“Adoption Date”	the date on which the 2024 Share Schemes are adopted by ordinary resolutions to be passed by the Shareholders at the AGM/EGM
“AGM” or “EGM”	the annual/extraordinary general meeting of the Company to consider and, if thought fit, approve, among other things, the proposed adoption of the 2024 Share Schemes
“Associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Award Share(s)”	the Shares as awarded by the Board pursuant to the 2024 Share Award Scheme
“Board”	the board of Directors

“Company”	CHYY Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	(i) any Employee Participant; (ii) any director or employee of a Related Entity; and (iii) any Service Provider
“Employee Participant(s)”	any director (including executive, non-executive and independent non-executive director) or employee of any member of the Group (including persons who are granted options or awards under the 2024 Share Schemes as an inducement to enter into employment contracts with these companies)
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Grant Date”	the date of grant of a Share Option pursuant to the 2024 Share Option Scheme
“Grantee(s)”	any Eligible Person who accepts an Offer in accordance with the terms of the 2024 Share Option Scheme, or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Offer”	the offer of the grant of a Share Option pursuant to the 2024 Share Option Scheme
“Other Scheme(s)”	all the schemes or arrangements involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 23 of the GEM Listing Rules, other than the 2020 Share Award Scheme and the 2024 Share Schemes

“Related Entity”	a holding company (as defined in the GEM Listing Rules), a fellow subsidiary (“ <b>subsidiary</b> ” as defined in the GEM Listing Rules) or an associated company of the Company
“Related Entity Participant(s)”	any Eligible Person who is a director or an employee of a Related Entity
“Scheme Mandate Limit”	the limit on the total number of Shares which may be allotted and issued in respect of (i) all Share Options and Share Awards; (ii) all share options and all share awards that may be granted under any Other Schemes, which must not exceed 10% of the total number of Shares in issue as at the Adoption Date
“Selected Participant(s)”	any Eligible Person(s) selected by the Board in accordance with the terms of the 2024 Share Schemes
“Service Provider(s)”	any person who, or entity which, provides services to 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 or which will contribute significantly to the growth of the Group’s financial or business performance, including independent contractors, consultants, agents, advisers and suppliers engaged to provide services in relation to research and development, engineering or technical contribution, the design or development or distribution of products/services provided by the Group, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Group, as determined by the Board in its sole and absolute discretion, provided that any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity should not be Service Providers
“Service Providers Limit”	where the Selected Participants include Service Provider(s), the limit on the total number of Shares which may be allotted and issued in respect of (i) all Share Options and Share Awards; (ii) all share options and all share awards that may be granted under any Other Schemes, which must be set within the Scheme Mandate Limit as at the Adoption Date

“Share(s) Award(s)”	an award of Shares pursuant to the 2024 Share Award Scheme
“Share Option(s)”	a right to subscribe for Shares pursuant to the 2024 Share Option Scheme
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**CHYY Development Group Limited**  
**Mr. Xu Shengheng**  
*Chairman*

Hong Kong, 30 April 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine, Mr. Dai Qi and Mr. Zhang Wei as executive Directors, Mr. Liao Yuan, Mr. Zhang Yiying and Ms. Liu Ening as non-executive Directors, Mr. Wu Qiang, Mr. Guan Chenghua and Mr. Zhang Honghai as independent non-executive Directors.*

## **APPENDIX I – SUMMARY OF THE EXTRACTED TERMS OF THE 2024 SHARE OPTION SCHEME**

Set out below is a summary of the extracted terms of the 2024 Share Option Scheme.

### **1. PURPOSES**

The purposes of the 2024 Share Option Scheme are to:

- (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) encourage and retain such individuals for the continual operation and development of the Group;
- (iii) provide additional incentives for them to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

### **2. PARTICIPANTS**

The Board may, in its absolute discretion, grant options to any Eligible Person comprise: (i) any Employee Participant; (ii) any director or employee of a Related Entity; and (iii) any Service Provider.

### **3. PRICE OF SHARES**

The subscription price for Shares under the 2024 Share Option Scheme will be a price determined by the Board and notified to an Eligible Person.

The subscription price will be the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Grant Date, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Grant Date.



#### 4. MAXIMUM NUMBER OF SHARES

- (i) subject to refreshment and adjustment upon Share consolidation or subdivision, the maximum number of Shares which may be allotted and issued in respect of (a) all Share Options and/or Share Awards; and (b) all share options and all share awards to be granted under any Other Schemes (i.e. the Scheme Mandate Limit) must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date.
- (ii) where the Selected Participants include Service Provider(s), the maximum number of Shares which may be allotted and issued in respect of (a) all Share Options and/or Share Awards; (b) all share options and all share awards to be granted under any Other Schemes (i.e. the Service Provider Sublimit) must be set within the Scheme Mandate Limited, unless the Company has obtained separate approval by Shareholders in general meeting.
- (iii) the Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of (a) all Share Options and all Share Awards; and (b) all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must be set within the New Scheme Mandate Limit) of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit (and New Service Provider Sublimit). Shares which are subject matter of any Share Options and Share Awards and any share options and share awards previously granted under any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2024 Share Schemes or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Share Options, share options and share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.
- (iv) for any 12-month period up to and including the date of grant of Share Options, the aggregate number of Shares issued and to be issued in respect of all Share Options granted to any Eligible Person (excluding any options or awards lapsed in accordance with the 2024 Share Schemes as applicable) under the 2024 Share Option Scheme and any grants of options or awards made under any other share scheme(s) of the Company shall not exceed 1% of the issued Shares from time to time, unless such grant is separately approved by the Shareholders in general meeting at which the relevant Eligible Person and his/her close associates (with the meaning ascribed thereto under the GEM Listing Rules) (or his/her Associates if the Eligible Person is a connected person) shall abstain from voting. The Company shall send a circular to the Shareholders, and the circular must disclose the identity of the Eligible Person, the number and terms of the Share Options to be granted to such Eligible Person, and other information required under the GEM Listing Rules. The number and terms of the Share Options to be granted to such Eligible Person must be fixed before Shareholders' approval.



## **5. GRANT OF SHARE OPTIONS TO CONNECTED PERSONS**

Any grant of Share Options to a Director or chief executive of the Company or any of their respective associates must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is a prospective Grantee).

Where Share Options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective Associates, and the proposed grant of Share Options would result in the Shares issued and to be issued in respect of all (i) options (regardless whether such options are granted under the 2024 Share Option Scheme or any Other Scheme(s)); and (ii) awards involving issue of new Shares already granted to such person in the 12-month period up to and including the date of the grant of such Share Options to represent in aggregate over 0.1% of the total number of Shares in issue, the proposed grant of Share Options must be approved by Shareholders in general meeting. In such a case, the Company shall send a circular to the Shareholders containing all those terms as required under the GEM Listing Rules. The Grantee, his/her Associates and all core connected persons (with the meaning ascribed thereto under the GEM Listing Rules) of the Company must abstain from voting at such general meeting. In calculating the aforesaid limit of 0.1%, any options and awards lapsed in accordance with the terms of the corresponding scheme shall not be counted.

## **6. VESTING SCHEDULE**

- (1) Save for the circumstances prescribed in paragraph 6(2), a Share Option must be held by the Grantee for at least 12 months from the date of grant before the Share Option can be exercised.
- (2) Share Options granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the remuneration committee of the Company if such Employee Participant is a Director or a senior manager of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager of the Company, under any of the following circumstances:
  - (a) grants of “make-whole” share options to new joiners to replace the share awards or share options they forfeited when leaving their previous employers;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
  - (c) grants with performance-based vesting conditions provided in the 2024 Share Option Scheme or as specified in the offer letter in lieu of time-based vesting criteria;
  - (d) grants that are made in batches during a year for administrative or compliance requirements, for example, Share Options that should have been granted earlier but had to wait for a subsequent batch and the vesting period may be shortened to reflect the time from which the Share Options would have been granted;

- (e) grants with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of 12 months, or where the Share Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date; and
- (f) grants with a total vesting and holding period of more than 12 months.

**(3) PERFORMANCE TARGETS**

The 2024 Share Option Scheme provides that vesting of Share Options shall be subject to performance targets, if any, to be satisfied by the Grantees as determined by the Board or the remuneration committee of the Company from time to time. The performance targets may comprise a mixture of attaining satisfactory key performance indicators components (such as the business performance and financial performance of the Group or departmental and individual performance based on the annual performance assessment results) which may vary among the Grantees. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

**(4) PERIOD OF THE SCHEME**

The 2024 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

The circular to be sent to the Shareholders will set out further details of the terms of the 2024 Share Option Scheme.

## **APPENDIX II – SUMMARY OF THE EXTRACTED TERMS OF THE 2024 SHARE AWARD SCHEME**

Set out below is a summary of the extracted terms of the 2024 Share Award Scheme.

### **1. PURPOSES**

The objectives of the 2024 Share Award Scheme are to:

- (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) encourage and retain such individuals for the continual operation and development of the Group;
- (iii) provide additional incentives for them to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the Selected Participants to maximise the value of the Company for the benefits of both the Selected Participants and the Company,

with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

### **2. WHO MAY JOIN AND CRITERIA FOR DETERMINING SELECTED PARTICIPANTS**

Subject to the scheme rules of the 2024 Share Award Scheme, the Board may, in its absolute discretion, grant Share Awards to any Selected Participants and determine the number of Shares to be granted.

In determining the number of Shares to be granted, the Board may take into consideration matters including:

- (i) the present contribution and expected contribution of the relevant Selected Participants to the profits of the Group;
- (ii) the performance of the relevant Selected Participants;
- (iii) the general financial condition of the Group;
- (iv) the Group's overall business objectives and future development plan; and
- (v) any other matter which the Board considers relevant.

### 3. PURCHASE AND SUBSCRIPTION OF SHARES

The Board may, at its sole and absolute discretion, notify the trustee, from time to time, to purchase existing Shares and to hold the same for future Selected Participants (together with such existing Shares made available to the trust from time to time, the “**Trustee Shares**”). The Board may, at its discretion, cause to be paid the purchase amount into the trust bank account to enable the trustee to purchase Trustee Shares for the purpose of granting Share Awards under the 2024 Share Award Scheme (the “**Purchase Amount**”). The Purchase Amount is the sum of (X) the amount used to purchase the Trustee Shares on the Stock Exchange and (Y) the necessary and related purchase expenses.

The Board may at its discretion at any time after the date of grant, cause to be paid the reference amount for the purchase and/or subscription of the Shares granted in respect of the Share Awards (the “**Reference Amount**”). The Reference Amount is the sum of (X) (a) the closing price of the Shares as quoted on the Stock Exchange as at the date of grant (or any other date as may be determined by the Board) multiplied by the number of the Shares comprised in the Share Award or (b) the par value of one Share multiplied by the number of the Shares comprised in the relevant Award granted to such Selected Participant (as the case may be) and (Y) the necessary and related purchase or subscription expenses.

At any time after the date of grant or as instructed by the Company, the trustee will (i) apply the Reference Amount or the Purchase Amount towards the purchase of the Shares granted or Trustee Shares at the prevailing market price, and/or (ii) apply the Reference Amount towards the subscription of the Shares granted at par value of the Shares. The Shares so purchased and/or subscribed for will, subject to the vesting conditions being fulfilled, be transferred to the Selected Participant.

### 4. PURCHASE PRICE OF THE AWARD SHARES

The purchase price of the Award Shares (if any) shall be such price as determined by the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the Share Award and the characteristics and profile of the Selected Participants.

### 5. MAXIMUM NUMBER OF SHARES

- (i) subject to refreshment and adjustment upon Share consolidation or subdivision, the maximum number of Shares which may be allotted and issued in respect of (a) all Share Options and/or Share Awards; and (b) all share options and all share awards to be granted under any Other Schemes (i.e. the Scheme Mandate Limit) must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date.
- (ii) where the Selected Participants include Service Provider(s), the maximum number of Shares which may be allotted and issued in respect of (a) all Share Options and/or Share Awards; (b) all share options and all share awards to be granted under and any Other Schemes (i.e. the Service Provider Sublimit) must be set within the Scheme Mandate Limited, unless the Company has obtained separate approval by Shareholders in general meeting.

- (iii) the Scheme Mandate Limit and the Service Provider Sublimit may respectively be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of (a) all Share Options and all Share Awards; and (b) all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must be set within the New Scheme Mandate Limit) of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit (and New Service Provider Sublimit). Shares which are subject matter of any Share Options and Share Awards and any share options and share awards previously granted under any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2024 Share Schemes or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Share Options, share options and share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.
- (iv) no Share Award may be granted to any one Eligible Person such that the total number of Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) in any 12-month period up to the date of the latest grant exceeds 1% of the issued Shares from time to time, unless such grant is separately approved by the Shareholders in general meeting with such grantee and his/her close associates (with the meaning ascribed thereto under the GEM Listing Rules) (or his/her Associates if the grantee is a connected person) abstaining from voting in accordance with Rule 23.03D(1) of the GEM Listing Rules.

## 6. GRANT OF SHARE AWARDS TO CONNECTED PERSONS

Any grant of Share Award of new Shares to a Director, chief executive or substantial shareholder of the Company or any of their respective Associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a prospective Selected Participant).

Where Share Awards of new Shares are proposed to be granted to a Selected Participant who is a Director (other than an independent non-executive Director) or chief executive of the Company or any of their respective Associates, and the proposed grant of Share Awards would result in the Shares issued and to be issued in respect of all awards involving issue of new Shares (regardless whether such awards are granted under the 2024 Share Award Scheme or any Other Scheme(s) but excluding any awards lapsed in accordance with the terms of the 2024 Share Award Scheme) already granted to such person in the 12-month period up to and including the date of the grant of such Share Awards to represent in aggregate over 0.1% of the total number of Shares in issue, the proposed grant of Share Awards must be approved by Shareholders in general meeting. In such a case, the Company shall send a circular to the Shareholders containing all those terms as required under the

GEM Listing Rules. The Selected Participant, his/her Associates and all core connected persons (with the meaning ascribed thereto under the GEM Listing Rules) of the Company must abstain from voting in favour of the resolution at such general meeting. In calculating the aforesaid limit of 0.1%, any options and awards lapsed in accordance with the terms of the corresponding scheme shall not be counted.

Where Share Awards of new Shares are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective Associates, and the proposed grant of Share Awards would result in the Shares issued and to be issued in respect of all (i) options (regardless whether such options are granted under the 2024 Share Award Scheme or any Other Scheme(s)); and (ii) awards involving issue of new Shares (regardless whether such awards are granted under the 2024 Share Award Scheme or any Other Scheme(s)), already granted to such person in the 12-month period up to and including the date of the grant of such Share Awards to represent in aggregate over 0.1% of the total number of Shares in issue, the proposed grant of Share Awards must be approved by Shareholders in general meeting. In such a case, the Company shall send a circular to the Shareholders containing all those terms as required under the GEM Listing Rules. The Selected Participant, his/her Associates and all core connected persons (with the meaning ascribed thereto under the GEM Listing Rules) of the Company must abstain from voting in favour of the resolution at such general meeting. In calculating the aforesaid limit of 0.1%, any options and awards lapsed in accordance with the terms of the corresponding scheme shall not be counted.

## **7. CONDITIONS OF SHARE AWARDS**

The Board is entitled to impose any conditions (including without limitation, a period of continued service within the Group after the date of grant), as it deems appropriate with respect to the entitlement of the Selected Participant to the Share Award and the Board will inform such Selected Participant by way of a grant letter which sets out, among other things, the number of the Shares to be granted, the terms, conditions (e.g. performance conditions) (if any), restrictions (if any) and vesting schedule of such Share Award. The Board may, at its absolute discretion, include in the grant letter to the Employee Participants an option, upon vesting, to choose either to receive the Share Award in the form of new Shares or cash. In the event that the Employee Participant chooses to receive the Share Award in the form of cash, the Board may, at its absolute discretion, decide whether the cash is to be funded by disposal of existing Shares or Shares newly issued by the Company for the purpose of satisfying the Share Award.

## **8. VESTING SCHEDULE**

- (1) Save for the circumstances prescribed in paragraph 8(2), the vesting period of a Share Award for new Shares held by the Employee Participant must be at least 12 months.
- (2) Share Awards granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the remuneration committee of the Company if such Employee Participant is a Director or a senior manager of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager of the Company, under any of the following circumstances:



- (a) grants of “make-whole” share awards to new joiners to replace the share awards or share options they forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
- (c) grants with performance-based vesting conditions provided in the 2024 Share Award Scheme or as specified in the grant letter in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative or compliance requirements, for example, Share Awards that should have been granted earlier but had to wait for a subsequent batch and the vesting period may be shortened to reflect the time from which the Share Awards would have been granted;
- (e) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of 12 months, or where the Share Awards may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date; and
- (f) grants with a total vesting and holding period of more than 12 months.

## **9. PERFORMANCE TARGETS**

The 2024 Share Award Scheme provides that vesting of Share Awards for new Shares shall be subject to performance targets, if any, to be satisfied by the Selected Participants as determined by the Board from time to time. The performance targets may comprise a mixture of attaining satisfactory key performance indicators components (such as the business performance and financial performance of the Group or departmental and individual performance based on the annual performance assessment results) which may vary among the Selected Participants. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

## **10. VESTING CONDITION**

The vesting of the Share Awards is subject to the Selected Participant remaining at all times after the date of grant and on the date of vesting as an Eligible Person.

A Selected Participant ceases to be an Eligible Person if:

- (i) the Selected Participant’s service or employment with the Group has been terminated by any member of the Group, any Related Entity or any Service Provider for cause, and “cause” means:
  - (a) dishonesty or serious misconduct, whether or not in connection with his/her employment; willful disobedience or non-compliance with the terms of his/her employment or service contract with any member of the Group, any Related



Entity, any Service Provider or any lawful orders or instructions given by any member of the Group, any Related Entity or any Service Provider as the case may be;

- (b) incompetence or negligence in the performance of his/her duties; or
  - (c) doing anything in the conclusive opinion of the Board adversely affects his/her ability to perform his/her duties properly or brings the Company or the Group, any Related Entity or any Service Provider into disrepute;
- (ii) the Selected Participant has been summarily dismissed by any member of the Group, any Related Entity or any Service Provider;
  - (iii) the Selected Participant has been convicted for any criminal offence involving his/her integrity or honesty; or
  - (iv) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time.

If the Selected Participant's employment or service is terminated for any reason other than for the reasons provided above ("**Good Leaver**"), any unvested Share Award in respect of such Good Leaver will automatically lapse with effect from the date on which the Good Leaver's employment or service is terminated. The Board may, at its absolute discretion, decide that any portion of the unvested Share Awards shall continue to vest in accordance with the original vesting schedule.

## **11. PERIOD OF THE SCHEME**

The 2024 Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

The circular to be sent to the Shareholders will set out further details of the terms of the 2024 Share Award Scheme.