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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in eSun Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or the transferee(s), or to the licensed securities dealer, registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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# eSun Holdings Limited

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 571)

**(1) PROPOSED GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
(4) APPROVAL OF ADOPTION OF NEW SHARE OPTION SCHEME  
BY MEDIA ASIA GROUP HOLDINGS LIMITED AND  
(5) PROPOSED ADOPTION OF THE NEW BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 10 to 22 of this circular.

The notice convening 2022 AGM to be held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 10:00 a.m. is set out on pages 72 to 79 of this circular. **The subject matter of this circular relates only to Resolutions nos. 2 and 4 to 7, the text of which is contained in the Notice of 2022 AGM.**

Shareholders are advised to read the Notice of 2022 AGM and if you are not intend to attend 2022 AGM or any adjournment thereof (as the case may be) in person but wish to exercise your voting rights as a Shareholder, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding 2022 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at 2022 AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at 2022 AGM or any adjournment thereof (as the case may be) with a view to addressing the risk to attendees of infection, including the following:

- (i) all attendees will be required to undergo body temperature check;
- (ii) all attendees will be required to scan the "LeaveHomeSafe" venue QR code at the entrance of the venue of 2022 AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);
- (iii) any attendees who are subject to health quarantine prescribed by the Government of Hong Kong will not be admitted to the venue of 2022 AGM;
- (iv) all attendees will be required to wear surgical face masks throughout 2022 AGM;
- (v) each attendee will be assigned a designated seat at the time of registration to ensure social distancing;
- (vi) any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of 2022 AGM; and
- (vii) no refreshments or beverages will be provided, and there will be no corporate gifts.

The Company reminds Shareholders that they should carefully consider the risks of attending 2022 AGM, taking into account their own personal circumstances. The Company would like to remind Shareholders that physical attendance in person at 2022 AGM is not necessary for the purpose of exercising their voting rights and **strongly recommends that Shareholders appoint the Chairman of 2022 AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Shareholders NOT to attend 2022 AGM in person.**

The Company will keep the evolving COVID-19 situation and the associated legal restrictions on public gatherings under constant review and may implement additional measures, which will be announced closer to the date of 2022 AGM.

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*This circular in both English and Chinese is available in printed form and published on the respective websites of HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.esun.com](http://www.esun.com).*

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## DEFINITIONS

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Unless the context otherwise requires, terms used in this circular and the appendices to it shall have the following respective meanings:

“2021-2022 Annual Report”	annual report of the Company for the year ended 31 July 2022;
“2021 AGM”	the AGM held on 17 December 2021;
“2022 AGM”	the AGM to be convened and held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 10:00 a.m. or any adjournment thereof;
“Acceptance Date”	means, in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Participant in accordance with the provisions of the New Scheme;
“Adoption Date”	the date of approval and adoption of the New Scheme by the Shareholders and shareholders of LSD and LSG respectively;
“AGM”	annual general meeting of the Company;
“Board”	the board of Directors, and for the purposes of the New Scheme shall include any committee of the Board duly constituted from time to time to administer the New Scheme and to which the functions and responsibilities of the Board under the New Scheme have been delegated;
“Buy-backs Code”	the Code on Share Buy-backs issued by the SFC;
“Buy Back Mandate”	a general and unconditional mandate proposed to be granted to the Directors at 2022 AGM to exercise all the powers of the Company to buy back Shares not exceeding 10% of the total issued Shares as at the date of passing such resolution;
“Bye-laws”	the bye-laws of the Company, as amended from time to time;
“close associate(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;

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## DEFINITIONS

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“Company”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022;
“control”	has the meaning ascribed to it under the Takeovers Code;
“controlling shareholder(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“COVID-19”	the Coronavirus Disease 2019;
“Date of Grant”	in relation to any Option, the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant subject to the provisions of the New Scheme;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the effective date of the New Scheme, the day on which the conditions referred to in paragraph 22 of Appendix III to this circular are fulfilled;
“Eligible Participant(s)”	the Employee Participants, the Service Providers and the Related Entity Participants;
“Employee Participant(s)”	the Directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Existing Bye-laws”	the existing bye-laws of the Company that are currently in force;
“Existing MAGHL Scheme”	the share option scheme adopted by MAGHL at its special general meeting held on 18 December 2012;

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## DEFINITIONS

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“Existing Scheme”	the share option scheme adopted by the Company at its annual general meeting held on 11 December 2015 and became effective on 23 December 2015;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKEX”	Hong Kong Exchanges and Clearing Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Individual Limit”	has the same meaning as defined in paragraph 4 of Appendix IV to this circular;
“Lai Fung”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125), and a fellow subsidiary of the Company;
“Latest Practicable Date”	11 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Committee”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488), and a subsidiary of LSG and the intermediate holding company of the Company;

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## DEFINITIONS

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“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), and an ultimate holding company of the Company;
“MAGHL”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on GEM (Stock Code: 8075), and an indirect 67.70%-owned subsidiary of the Company as at the Latest Practicable Date;
“MAGHL Acceptance Date”	means, in relation to any MAGHL Option, the day on which the offer to grant such MAGHL Option is accepted by the relevant MAGHL Eligible Participant in accordance with the provisions of the New MAGHL Scheme;
“MAGHL Adoption Date”	the date of approval and adoption of the New MAGHL Scheme by the MAGHL Shareholders, the Shareholders and the shareholders of LSD and LSG respectively;
“MAGHL AGM”	the annual general meeting of MAGHL to be convened and held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 9:15 a.m. or any adjournment thereof;
“MAGHL Board”	the board of MAGHL Directors, and for the purposes of the New MAGHL Scheme shall include any committee of the MAGHL Board duly constituted from time to time to administer the New MAGHL Scheme and to which the functions and responsibilities of the MAGHL Board under the New MAGHL Scheme have been delegated;
“MAGHL Circular”	the circular issued by MAGHL to MAGHL Shareholders dated 31 October 2022 in relation to, among other matters, the proposed adoption of New MAGHL Scheme;
“MAGHL Date of Grant”	in relation to any MAGHL Option, the day (which must be a trading day) on which the MAGHL Directors resolve to make an offer of that MAGHL Option to a MAGHL Eligible Participant subject to the provisions of the New MAGHL Scheme;
“MAGHL Director(s)”	the director(s) of MAGHL;

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## DEFINITIONS

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“MAGHL Eligible Participant(s)”	the MAGHL Employee Participants, the MAGHL Service Providers and the MAGHL Related Entity Participants;
“MAGHL Employee Participant(s)”	the MAGHL Directors, chief executive and employees of MAGHL or any of its subsidiaries (including persons who are granted options under the New MAGHL Scheme as an inducement to enter into employment contracts with MAGHL or any of its subsidiaries), provided that the MAGHL Board shall have absolute discretion to determine whether or not one falls within such category;
“MAGHL Group”	MAGHL and its subsidiaries;
“MAGHL Option”	an option to subscribe for MAGHL Shares pursuant to the New MAGHL Scheme;
“MAGHL Option Holder”	the holder of any outstanding MAGHL Option or (where the context so permits) any person who is entitled to such MAGHL Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder;
“MAGHL Option Period”	in respect of any MAGHL Option, the period commencing on the MAGHL Acceptance Date of a MAGHL Option and expiring at the close of business on a day as determined by the MAGHL Directors (both days inclusive), which period may, if the MAGHL Directors so determine, be set at different length for different MAGHL Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any MAGHL Option is granted in accordance with the New MAGHL Scheme;
“MAGHL Option Price”	the price per MAGHL Share payable on the exercise of a MAGHL Option (in whole or in part) as determined by the MAGHL Directors (which price may, if the MAGHL Directors so determine, be set at different levels for different periods during the MAGHL Option Period) provided always that it shall comply with the provisions of the New MAGHL Scheme;
“MAGHL Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of MAGHL;
“MAGHL Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of MAGHL, provided that the MAGHL Board shall have absolute discretion to determine whether or not one falls within such category;

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## DEFINITIONS

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“MAGHL Remuneration Committee”	the remuneration committee of MAGHL;
“MAGHL Service Providers”	means person(s) who provide services to the MAGHL Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the MAGHL Group, including vendors, suppliers providing design and manufacturing, production services, advisory services, consultancy services, sales and marketing services, technology services, administrative services, and/or other professional services to the MAGHL Group to support the MAGHL Group’s projects and business activities in media and entertainment, film and TV program, concerts and music production, as well as its new initiatives from time to time such as new content digitisation, gaming and e-commerce and independent contractor, consultant and/or advisors providing advisory services, consultancy services and/or other professional services on research and development, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations in investment environment of MAGHL and other areas in relation to the MAGHL Group’s business operation, financial and management advisory and consulting, but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, and provided that the MAGHL Board shall have absolute discretion to determine whether or not one falls within such category;
“MAGHL Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of MAGHL;
“MAGHL Shareholder(s)”	the duly registered holder(s) of the MAGHL Shares;
“MAGHL SOS Effective Date”	the effective date of the New MAGHL Scheme, the day on which the conditions referred to in paragraph 22 of Appendix IV to this circular are fulfilled;
“MAGHL Subscription Price”	in relation to a MAGHL Option, an amount equal to the MAGHL Option Price multiplied by the relevant number of MAGHL Shares in respect of which such MAGHL Option is exercised;



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## DEFINITIONS

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“New Bye-laws”	the new set of Bye-laws of the Company incorporating and consolidating all proposed amendments, which have been approved by the Board in accordance with the Bye-laws, proposed to be confirmed, approved and adopted by the Shareholders at 2022 AGM;
“New MAGHL Scheme”	the new share option scheme which is proposed to be adopted by MAGHL at MAGHL AGM, a summary of the principal terms of which is set out in Appendix IV to this circular;
“New Scheme”	the new share option scheme which is proposed to be adopted by the Company at 2022 AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Nomination Committee”	the nomination committee of the Company;
“Notice of 2022 AGM”	the notice convening 2022 AGM is contained in this circular;
“Option(s)”	an option to subscribe for Shares pursuant to the New Scheme;
“Option Holder(s)”	the holder of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder;
“Option Period”	in respect of any Option, the period commencing on the Acceptance Date of an Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any Option is granted in accordance with the New Scheme;
“Option Price”	the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Scheme;
“Principal Subsidiary”	has the meaning as defined under Rule 17.14 of the Listing Rules (effective from 1 January 2023);

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## DEFINITIONS

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“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Remuneration Committee”	the remuneration committee of the Company;
“Resolution(s)”	the proposed ordinary resolution(s) and special resolution as referred to in the Notice of 2022 AGM;
“Service Provider(s)”	means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including vendors, suppliers providing design and manufacturing, distribution services, production services, advisory services, consultancy services, sales and marketing services, technology services, administrative services, and/or other professional services to the Group to support the Group’s projects and business activities in the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation, as well as its new initiatives from time to time such as new content digitisation, gaming and e-commerce and independent contractor, consultant and/or advisors providing advisory services, consultancy services and/or other professional services on research and development, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations in investment environment of the Company and other areas in relation to the Group’s business operation, financial and management advisory and consulting, but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, and provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Service Provider Sublimit”	has the same meaning as defined in paragraph 3.2 of Appendix III to this circular;

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission in Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at 2022 AGM to exercise all the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the total issued Shares as at the date of passing such resolution;
“Shareholder(s)”	the duly registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	in relation to an Option, an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which such Option is exercised;
“subsidiary(ies)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC as amended from time to time; and
“%”	per cent.

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## LETTER FROM THE BOARD

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### **eSun Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 571)**

*Executive Directors:*

Mr. Lui Siu Tsuen, Richard (*Chief Executive Officer*)  
Mr. Chew Fook Aun  
Mr. Lam Hau Yin, Lester  
*(also alternate director to Madam U Po Chu)*  
Mr. Yip Chai Tuck

*Non-executive Director:*

Madam U Po Chu

*Independent Non-executive Directors:*

Mr. Low Chee Keong (*Chairman*)  
Mr. Lo Kwok Kwei, David  
Dr. Ng Lai Man, Carmen  
Mr. Alfred Donald Yap

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and Principal Place  
of Business:*

11th Floor  
Lai Sun Commercial Centre  
680 Cheung Sha Wan Road  
Kowloon  
Hong Kong

17 November 2022

*To the Shareholders and  
for information only, the Option Holders*

Dear Sir and Madam,

**(1) PROPOSED GENERAL MANDATES  
TO ISSUE AND BUY BACK SHARES,  
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
(4) APPROVAL OF ADOPTION OF NEW SHARE OPTION SCHEME  
BY MEDIA ASIA GROUP HOLDINGS LIMITED AND  
(5) PROPOSED ADOPTION OF THE NEW BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding, among other things, (i) the proposed renewal of the general mandates to the Directors to allot, issue and deal with additional Shares and to buy back Shares; (ii) the proposed re-election of the retiring Directors; (iii) the proposed adoption of New Scheme and termination of Existing Scheme; (iv) the approval of adoption of New MAGHL Scheme by MAGHL; as well as (v) proposed adoption of the New Bye-laws, so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at 2022 AGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED GRANTING OF SHARE ISSUE MANDATE AND BUY BACK MANDATE

At 2021 AGM, ordinary resolutions were passed respectively to grant general mandates to the Directors to exercise all the powers of the Company (i) to allot, issue and deal with additional Shares not exceeding 20% of the total issued Shares as at the date of 2021 AGM; (ii) to buy back Shares not exceeding 10% of the total issued Shares as at the date of 2021 AGM; and (iii) to extend the general mandate granted to the Directors to issue Shares by adding the number of Shares bought back by the Company pursuant to the mandate to buy back Shares referred in (ii) above.

The above mandates will expire at the conclusion of 2022 AGM unless renewed at that meeting. To keep in line with the current corporate practice, resolutions will be proposed at 2022 AGM to grant the Share Issue Mandate and the Buy Back Mandate to the Directors as well as to extend the general mandate granted to the Directors to issue Shares by adding the number of Shares bought back under the Buy Back Mandate, if granted. The full text of above resolutions is set out in Resolutions nos. 4(A), 4(B) and 4(C) of Notice of 2022 AGM. As regards these resolutions, the Directors wish to state that they have no immediate plans to allot and issue any new Shares or buy back any Shares pursuant to the relevant mandates.

As at the Latest Practicable Date, the total number of issued Shares was 1,491,854,598. Assuming that there is no issue of Shares or any buy back of Shares from the Latest Practicable Date up to the date of 2022 AGM, up to a maximum of 298,370,919 Shares representing 20% of the total issued Shares may be issued under the Share Issue Mandate; and up to a maximum of 149,185,459 Shares representing 10% of the total issued Shares may be bought back by the Company under the Buy Back Mandate.

An explanatory statement, as required by the Listing Rules in connection with the Buy Back Mandate is set out in Appendix I to this circular, and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy Back Mandate.

### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-law 87 of the Bye-laws, Mr. Lui Siu Tsuen, Richard (an Executive Director) and Madam U Po Chu (a Non-executive Director) (collectively, “**Retiring Directors**”) will retire from office as Directors by rotation at 2022 AGM and, being eligible, will offer themselves for re-election.

The Board has assessed the composition of the Board and the suitability of the Retiring Directors with reference to the selection criteria including, *inter alia*, diversity in all aspects (including but not limited to gender, age, cultural and educational background, professional experience and skills) as set out in the Company’s nomination policy and the benefits of having a diverse Board as set out in the Company’s board diversity policy through the Nomination Committee. The Board accepted the recommendation from the Nomination Committee and proposes re-election of the Retiring Directors at 2022 AGM.

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## LETTER FROM THE BOARD

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Details of the Retiring Directors proposed for re-election at 2022 AGM required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in Appendix II to this circular.

All Independent Non-executive Directors (“INEDs”) have been serving more than nine (9) years on the Board. The length of tenure of Mr. Low Chee Keong, Mr. Lo Kwok Kwei, David, Dr. Ng Lai Man, Carmen and Mr. Alfred Donald Yap with the Company as at the Latest Practicable Date was more than 23 years, 13 years, 13 years and 25 years, respectively.

#### **4. PROPOSED ADOPTION OF NEW SCHEME AND TERMINATION OF EXISTING SCHEME**

The Existing Scheme was adopted by the Company at its AGM held on 11 December 2015. The Existing Scheme is valid and effective for a period of ten (10) years from 23 December 2015. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules will be amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Existing Scheme and adopt the New Scheme.

As at the Latest Practicable Date, the Company has granted options relating to 1,900,000 underlying Shares to its employees under the Existing Scheme representing approximately 0.13% of the total issued Shares as at the Latest Practicable Date. Of these options, options relating to 1,500,000 underlying Shares are valid and outstanding, and remain valid under the Existing Scheme after the Existing Scheme is terminated; and an option relating to 400,000 underlying Shares has been cancelled upon the closing of the Company’s offers on 22 August 2018 in accordance with the terms of the Existing Scheme. Save as aforesaid, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares as at the Latest Practicable Date. The Board has no intention of granting any further options under the Existing Scheme during the period from the Latest Practicable Date and the date of 2022 AGM.

Upon termination of the Existing Scheme, no further options may be granted but in all other respects, the provisions of the Existing Scheme shall remain in full force and effect. Therefore, the termination of the Existing Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Existing Scheme and the above outstanding options granted under the Existing Scheme shall continue to be subject to the provisions of the Existing Scheme.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,491,854,598 Shares, of which 1,113,260,072 Shares (representing approximately 74.62%) is indirectly owned by LSD; and LSD was approximately 53.19% directly and indirectly owned by LSG. Hence, the Company is a subsidiary of each of LSD and LSG.

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## LETTER FROM THE BOARD

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Pursuant to Rule 17.01(4) of the Listing Rules (in force as of the Adoption Date), so long as the Company is a subsidiary of LSD and LSG and each of them being a holding company of the Company which is also listed on the Stock Exchange, the termination of the Existing Scheme and the adoption of the New Scheme by the Company are also subject to the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the termination of the Existing Scheme and the adoption of the New Scheme by the Company pursuant to the requirements of Rule 17.01(4) of the Listing Rules.

At 2022 AGM, Resolution no. 5 of Notice of 2022 AGM will be proposed for the Shareholders to consider, and if thought fit, to approve the termination of the Existing Scheme and adoption of the New Scheme. The New Scheme complies with the latest requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,491,854,598 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 149,185,459 Shares, representing 10% of the total issued Shares as at the Adoption Date.

The Service Provider Sublimit of the New Scheme will be 14,918,545 Shares, being 1% of the total issued Shares on the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers, and the fact that the Company expects that a majority of Options will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings. Considering that there are no other share schemes involving grant of options over new Shares, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at 2022 AGM.

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## LETTER FROM THE BOARD

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None of the Directors is a trustee of the New Scheme or has any direct or indirect interest in the trustees of the New Scheme, if any. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the Existing Scheme.

### **Conditions precedent of the New Scheme**

The New Scheme will take effect upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in 2022 AGM to approve the adoption of the New Scheme and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Scheme;
- (ii) the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New Scheme by the Company; and
- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Scheme.

An application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Scheme.

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

A summary of the principal terms of the New Scheme is set out in Appendix III hereto.

The purpose of the New Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

### **Eligible Participants**

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.



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## LETTER FROM THE BOARD

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In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Options to the Related Entity Participants and Service Providers in recognition of their contribution to the Company. The Directors (including the INEDs) also consider that it is beneficial to include the Related Entity Participants and Service Providers 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 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.

More specifically, the Board (including the INEDs) is of the view that:

- (i) The Company and the Related Entity Participants have always had a close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's businesses. As such, certain Related Entity Participants have joint involvement in work projects from time to time. Given the mix of workload, the Company feels that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of Options in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting Options to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Options to those employees in recognition of such contribution to the Company.

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## LETTER FROM THE BOARD

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- (ii) The Group has always relied on its vendors and suppliers to provide design and manufacturing, distribution services, production services, advisory services, consultancy services, sales and marketing services, technology services, administrative services, and/or other professional services to the Group to support the Group's projects and business activities in the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation, as well as its new initiatives from time to time such as new content digitisation, gaming and e-commerce. The Board believes that the Group's success is attributable to high quality of services provided by such vendors and suppliers. In addition, the Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their specialised skills in fields such as research and development, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image, investor relations in investment environment of the Company and other areas in relation to the Group's business operation, financial and management advisory and consulting. Furthermore, as the Group is operating in the ever-changing industries of cinema operation, media and entertainment and film and TV program, the Group may require new types of professional services to be provided by the Service Providers on a continuing or recurring basis to cope with its demand for new initiatives, projects and focuses and to support its expansion plan(s) from time to time, such as its new initiatives in areas of new content digitisation, gaming and e-commerce. In such case, the Board will determine whether the Service Providers providing such professional services are eligible to participate in the New Scheme based on whether such professional services provided are in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time. Such suppliers, vendors, independent contractor, consultants and advisors may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis which is in line with industry norm, and the Company may need to outsource such functions and procure services from external vendors or suppliers, or is unable to turn to internal resources for these kind of specialised support due to various restraints.

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## LETTER FROM THE BOARD

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Hence, the Board is of the view that apart from the invaluable contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from these kind of suppliers, vendors, independent contractor, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised. Although the Company has not granted any options to such Service Providers under the Existing Scheme, the Board also considers that it is still appropriate to have the flexibility in granting Options instead of cash reward or other settlement to the Service Providers since the grant of Options will offer incentives that are more long-lasting and promising than one-off payments and allow the Group to more efficiently allocate its financial resources by retaining more cash.

- (iii) As mentioned above, the Board will take into account of numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Participants. As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Options to be granted to these Eligible Participants, which allows the Board having great flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for these non-employee Eligible Participants' contribution or potential contribution.
- (iv) It has always been the intention of the Company to include employee, director, officer or consultant of a Related Entity and any other group or classes of participants which the Directors consider to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the Group as these classes of person were all eligible under the Existing Scheme. The Company has always opted a flexible approach when it comes to devising its own talent recruitment and retention strategies.

Having their contribution recognised and their interests aligned with the Group's, the Related Entity Participants and Service Providers will be better motivated to support the development of the Group in a sustainable manner.

### **Vesting period**

The vesting period for Options under the New Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the New Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Option Holder, such as those set out in paragraphs 7.2(i) to (iii) of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

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## LETTER FROM THE BOARD

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Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in sub-paragraph 7.2 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Scheme.

### **Performance targets and clawback mechanism**

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

If performance targets are imposed on an Option Holder, the Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; box office; ratings; reviews; and such other goals as the Board may determine from time to time.

If a clawback mechanism is imposed on an Option Holder, the Board will take into account individual circumstances when devising such mechanism such as the role of the Option Holder, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Option Holder 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 believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Options under the New Scheme at a Subscription Price which will be determined on a fair basis according to market value of the Shares and to impose such clawback mechanism and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the New Scheme.

### **Basis of Determination of the Option Price**

Eligible Participants to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Option Price as determined on the Date of Grant. The basis for determining the Option Price is also specified precisely in the rules of the New Scheme. The 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.

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## LETTER FROM THE BOARD

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### 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 Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Option 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.

### 5. APPROVAL OF ADOPTION OF NEW MAGHL SCHEME BY MAGHL

The Existing MAGHL Scheme was adopted by MAGHL at the respective special general meetings of MAGHL and the Company on 18 December 2012. MAGHL proposes to adopt the New MAGHL Scheme to replace the Existing MAGHL Scheme which is due to expire on 17 December 2022.

As at the Latest Practicable Date, the issued share capital of MAGHL comprised 2,986,314,015 MAGHL Shares, of which 2,021,848,647 MAGHL Shares (representing approximately 67.70%) is indirectly owned by the Company. Pursuant to Rule 23.01(4) of the GEM Listing Rules (in force as of the MAGHL Adoption Date), so long as MAGHL is a subsidiary of the Company, and the Company being a holding company of MAGHL which is also listed on the Stock Exchange, the adoption of New MAGHL Scheme is required to be simultaneously approved by the Shareholders and the shareholders of LSD and LSG, respectively.

In the circumstances, the adoption of the New MAGHL Scheme by MAGHL is therefore also subject to the passing of the necessary resolutions by the Shareholders and the shareholders of LSD and LSG in their respective general meetings pursuant to the requirements of Rule 23.01(4) of the GEM Listing Rules.

Further, pursuant to Rule 17.13 of the Listing Rules (effective from 1 January 2023), Rules 17.02 to 17.04 and Rules 17.06 to 17.09 (effective from 1 January 2023), with appropriate modifications, apply to share schemes of a Principal Subsidiary of a listed issuer as if they were share schemes of the issuer as described in Rule 17.01(1) (effective from 1 January 2023). As at the Latest Practicable Date, MAGHL is not a Principal Subsidiary of the Company. Nevertheless, the Company will comply with the relevant requirements under Chapters 14 and 14A of the Listing Rules in relation to the New MAGHL Scheme if applicable. Based on the information available as at the Latest Practicable Date, as one or more of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 5% and below 25%, the deemed disposal of interests in MAGHL by the Company under New MAGHL Scheme will constitute a discloseable transaction of the Company under the revised Chapter 14 of the Listing Rules (effective from 1 January 2023).

Details of the New MAGHL Scheme are set out in the MAGHL Circular, which may be viewed and downloaded at HKEX's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the MAGHL's website at [www.mediaasia.com](http://www.mediaasia.com). The rules of the New MAGHL Scheme are also published on the websites of HKEX and the Company for display at the time set out in paragraph 9 of this letter under the section headed "*Documents on Display*".

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## LETTER FROM THE BOARD

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A summary of principal terms of New MAGHL Scheme is set out in Appendix IV to this circular. This serves as a summary of the terms of the New MAGHL Scheme but does not constitute the full terms of the same. The terms of the New MAGHL Scheme are in line with the provisions of Chapter 23 of the GEM Listing Rules, which govern the terms of the share option schemes of listed companies on GEM.

### 6. PROPOSED ADOPTION OF THE NEW BYE-LAWS

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

The Board proposes to amend the Existing Bye-laws by way of adopting the New Bye-laws in substitution for and to the exclusion of the Existing Bye-laws for the purposes of (i) providing greater flexibility to the Company in relation to the conduct of general meetings by allowing (but not requiring) general meetings to be held as an electronic meeting and/or as a hybrid meeting where the Shareholders may attend by electronic means in addition to as a physical meeting where Shareholders attend in person; (ii) bringing the Existing Bye-laws in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules) and applicable laws of Bermuda; and (iii) making certain minor housekeeping amendments to the Existing Bye-laws.

In view of the number of proposed changes involved, the Board proposes the adoption of the New Bye-laws which incorporate and consolidate all proposed amendments set out in Appendix V to this circular. A marked-up version showing the changes made to the Existing Bye-laws are set out in Appendix V to this circular. A special resolution will be proposed at 2022 AGM to approve the adoption of the New Bye-laws.

Shareholders are advised that the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and the Chinese translation, the English version shall prevail.

The legal advisers to the Company have confirmed that the proposed amendments to the Existing Bye-laws as set out in Appendix V to this circular conform with the requirements under the Listing Rules and are not inconsistent with the laws of Bermuda. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

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## LETTER FROM THE BOARD

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### 7. 2022 AGM

The 2022 AGM will be held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 10:00 a.m. The Notice of 2022 AGM is set out on pages 72 to 79 of this circular. The resolutions in relation to, among other things, the granting of Share Issue Mandate, Buy Back Mandate and extension of the Share Issue Mandate, the re-election of the Retiring Directors, the adoption of New Scheme and termination of Existing Scheme, the approval of adoption of New MAGHL Scheme by MAGHL as well as the adoption of the New Bye-laws will be proposed at 2022 AGM for approval by the Shareholders.

Shareholders are advised to read the Notice of 2022 AGM and if you are not intend to attend 2022 AGM or any adjournment thereof (as the case may be) in person but wish to exercise your voting rights as a Shareholder, please complete, sign and return the accompanying form of proxy (also published on both the websites of HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.esun.com](http://www.esun.com)) in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding 2022 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at 2022 AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The Company will implement certain preventive and control measures in view of the recent development relating to the COVID-19 pandemic. Please refer to notes (13) to (15) under the Notice of 2022 AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed resolutions at 2022 AGM pursuant to the Listing Rules and/or the Bye-laws.

### 8. VOTING BY WAY OF POLL

In compliance with Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to a procedural or administrative matter to be voted by a show of hands, any vote of the Shareholders at a general meeting of the Company must be taken by poll. Accordingly, the Resolutions will be taken by way of a poll by the Shareholders.

Bye-law 66 of the Bye-laws provides that on a poll, every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully-paid Share of which he/she/it is the holder.

An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at 2022 AGM. Tricor Tengis Limited, the branch share registrar of the Company in Hong Kong, will serve as the scrutineers for the vote-taking. The Company will publish an announcement on the poll results on the respective websites of HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.esun.com](http://www.esun.com) shortly after the conclusion of 2022 AGM pursuant to Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 9. DOCUMENTS ON DISPLAY

Copies of the rules of New Scheme and the New MAGHL Scheme will be published on the respective websites of HKEX and the Company for display for a period of not less than fourteen (14) days before the date of 2022 AGM and the rules of the New Scheme and the New MAGHL Scheme will be made available for inspection at 2022 AGM.

### 10. RECOMMENDATION

The Directors are of the opinion that the proposed granting of the Share Issue Mandate, the Buy Back Mandate and extension of the Share Issue Mandate, the proposed re-election of the Retiring Directors, the proposed adoption of New Scheme and termination of Existing Scheme, the approval of adoption of New MAGHL Scheme by MAGHL as well as the proposed adoption of the New Bye-laws (details of which are set out in the Notice of 2022 AGM) are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Resolutions to be proposed at 2022 AGM.

### 11. 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.

### 12. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the Notice of 2022 AGM.

In case of any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

Yours faithfully,  
For and on behalf of the Board  
**eSun Holdings Limited**  
**Low Chee Keong**  
*Chairman*



This explanatory statement contains all the information required by Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy Back Mandate to be proposed at 2022 AGM.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,491,854,598 Shares in issue and there was outstanding share options granted under the Existing Scheme to subscribe for 1,500,000 Shares.

Subject to the passing of the proposed ordinary resolution granting of the Buy Back Mandate and on the basis that no Shares will be issued (whether generally or pursuant to the exercise of the subscription rights attaching to the outstanding options) or bought back by the Company prior to the date of 2022 AGM, exercise in full of the Buy Back Mandate would result in up to a maximum of 149,185,459 Shares (i.e. 10% of the entire issued share capital of the Company as at the Latest Practicable Date) which could be bought back by the Company during the relevant period.

## **2. REASONS FOR BUY BACK**

Although the Directors have no present intention to buy back any Shares, they believe that the flexibility afforded by the Buy Back Mandate will be in the best interests of the Company and the Shareholders as a whole. Such buy back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such buy back will benefit the Company and the Shareholders as a whole (e.g. if there are occasions in the future when depressed market conditions arise and the Shares are trading at a discount to their underlying value).

## **3. FUNDING OF BUY BACK**

Pursuant to the Buy Back Mandate, the Company may only apply funds legally available for buy back in accordance with the applicable laws of Bermuda in which the Company is incorporated, and the Memorandum of Association and the Bye-laws.

Funds for a buy back of the Shares, to the extent of the nominal value attributable to the bought back Shares, may be paid out of the capital paid up thereon or out of the proceeds of a new issue of Shares made for the purpose or from the funds of the Company otherwise available for dividend or distribution. The premium over the nominal value of the bought back Shares may be paid out of the share premium account before the Shares are bought back or the funds of the Company otherwise available for dividend or distribution.

If the Buy Back Mandate is to be exercised in full at any time during the proposed buy back period, there may be a material adverse effect on the working capital or the gearing position of the Company which in the opinion of the Directors is from time to time appropriate for the Group (as compared with the position disclosed in the published audited consolidated financial statements of the Company for the year ended 31 July 2022). However, the Directors do not propose to exercise the Buy Back Mandate to such an extent unless the Directors are of the view that such buy back will, taking into account of all the relevant factors, be in the best interests of the Group.

#### 4. SHARE PRICES

The monthly highest and lowest prices per Share at which the Shares had been traded on the Stock Exchange during each of the twelve (12) months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
<b>2021</b>		
November	0.485	0.300
December	0.305	0.275
<b>2022</b>		
January	0.415	0.285
February	0.355	0.330
March	0.340	0.240
April	0.300	0.244
May	0.495	0.270
June	—(Note)	—(Note)
July	—(Note)	—(Note)
August	—(Note)	—(Note)
September	—(Note)	—(Note)
October	—(Note)	—(Note)
November (up to the Latest Practicable Date)	0.500	0.380

*Note: Trading in the Shares on the Stock Exchange was suspended from 1 June 2022 to 10 November 2022 pending the restoration of 25% minimum public float of the Shares. As a result, the Share prices during these five months were not available. Trading in the Shares on the Stock Exchange was resumed at 9:00 a.m. on 11 November 2022.*

#### 5. BUY BACK BY THE COMPANY

The Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six (6) months immediately preceding the Latest Practicable Date.

**6. INTENTION AND UNDERTAKING**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares held by them to the Company under the Buy Back Mandate if such Buy Back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy Back Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell the Shares held by him/her/it to the Company, or has undertaken not to do so, in the event that the Buy Back Mandate is approved by the Shareholders.

**7. IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share bought back by the Company, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Buy-backs Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in their shareholding interest(s), could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the controlling shareholders of the Company named below were interested or were deemed to be interested under the SFO in the issued Shares as follows:

Name	Capacity	Number of issued Shares held			Approximate percentage of total issued Shares (Note 1)
		Personal interests	Corporate interests	Total	
LSD	Owner of controlled corporation	Nil	1,113,260,072 (Note 2)	1,113,260,072	74.62%
LSG	Owner of controlled corporations	Nil	1,113,260,072 (Note 3)	1,113,260,072	74.62%
Dr. Lam Kin Ngok, Peter ("Dr. Lam")	Beneficial owner and owner of controlled corporations	2,794,443	1,113,260,072 (Note 3)	1,116,054,515	74.81%

Notes:

1. The total number of issued Shares as at the Latest Practicable Date (that is, 1,491,854,598 Shares) has been used for the calculation of the approximate percentage.

2. *These interests in the Company representing all the Shares beneficially owned by Transtrend Holdings Limited, an indirect wholly-owned subsidiary of LSD.*
3. *LSG and Dr. Lam (an executive Director from 15 October 1996 to 13 February 2014) were deemed to be interested in the same 1,113,260,072 Shares (approximately 74.62% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed interests of approximately 41.93% (excluding share options) of the total issued shares of LSG; LSD was approximately 53.19% directly and indirectly owned by LSG; and LSG was approximately 12.70% (excluding share option) owned by Dr. Lam and approximately 29.23% owned by Wisdoman Limited, which in turn 100% beneficially owned by Dr. Lam.*

In the event that the Company exercises the Buy Back Mandate in full and taking no account of the issue of new Shares by the Company pursuant to any general and specific mandates granted by the Shareholders at any general meeting, the Existing Scheme and/or any other scheme or otherwise, the aggregate beneficial shareholding interests and deemed shareholding interests of LSD, LSG and Dr. Lam in the Company (for illustration) will be as follows:

<b>Name</b>	<b>Approximate percentage of total issued Shares</b>
LSD	82.91%
LSG	82.91%
Dr. Lam	83.12%

The Directors are not aware of any Shareholders or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any buy back of Shares pursuant to the Buy Back Mandate.

As at the Latest Practicable Date, the percentage of Shares held by the public was approximately 14.96%, which remained below the minimum percentage of public shareholding of 25% as prescribed by Rule 8.08 of the Listing Rules. The Directors have no present intention to exercise the Buy Back Mandate before the restoration of the Company's public float as required under the Listing Rules.

The following are the particulars of the Directors proposed to be re-elected at 2022 AGM:

### 1. EXECUTIVE DIRECTOR

**Mr. Lui Siu Tsuen, Richard**, aged 66, was appointed the Chief Executive Officer of the Company in January 2011 and is presently a member of each of the executive committee of the Company, the Nomination Committee and the Remuneration Committee. He joined the Company in April 2010 as the chief operating officer of its Media and Entertainment Division and became an Executive Director since 1 July 2010. Mr. Lui is also an executive director of MAGHL and he was an executive director of LSG, LSD and Lai Fung respectively from 1 January 2011 to 31 October 2012.

Mr. Lui is currently an independent non-executive director of Prosperity Investment Holdings Limited (the issued shares of which are listed and traded on the Main Board of the Stock Exchange). Prior to joining the Company, Mr. Lui had held senior executive positions in a few Hong Kong and overseas listed companies.

Mr. Lui has over 36 years of experience in property investment, corporate finance and media and entertainment businesses. He is a fellow member of each of the Hong Kong Institute of Certified Public Accountants and The Chartered Institute of Management Accountants, United Kingdom and holds a Master of Business Administration Degree from The University of Adelaide in Australia.

The Company and Mr. Lui have entered into an employment contract but such contract is determinable by either the Company or Mr. Lui serving the other party not less than three (3) months' written notice or payment in lieu thereof. In accordance with the provisions of the Bye-laws, Mr. Lui will be subject to retirement from office as a Director by rotation once every three (3) years if re-elected at 2022 AGM and will also be eligible for re-election at future AGMs.

Mr. Lui presently receives a monthly salary of HK\$402,700 from the Company and a director's fee of HK\$15,000 per month from MAGHL as well as other allowances (where applicable), and such remuneration and discretionary bonus as may be determined by the respective boards of the Company and MAGHL from time to time with reference to the results of the Company and MAGHL, his performance, duties, responsibilities and time allocated to the Company and MAGHL as well as the prevailing market conditions.

Save as disclosed above, Mr. Lui has not held any directorship in any other listed public companies in the last three (3) years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, except for the share option granted to him to subscribe for 121,232 shares of LSD (as adjusted) pursuant to the share option scheme of LSD adopted in 2006, Mr. Lui does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

**2. NON-EXECUTIVE DIRECTOR**

**Madam U Po Chu**, aged 97, is a Non-executive Director and was first appointed as Director in October 1996. She is also an executive director of both LSG and Lai Fung as well as a non-executive director of LSD.

Madam U has over 55 years' experience in the garment manufacturing business and had been involved in the printing business since the mid-1960's. She started to expand the business to fabric bleaching and dyeing in the early 1970's and became involved in property development and investment in the late 1980's.

Madam U is the grandmother of Mr. Lam Hau Yin, Lester (an Executive Director) and the mother of Dr. Lam Kin Ngok, Peter (a substantial shareholder of the Company within the meaning of Part XV of the SFO).

Madam U does not have a service contract with the Company. However, in accordance with the provisions of the Bye-laws, Madam U will be subject to retirement from office as a Director by rotation once every three (3) years if re-elected at 2022 AGM and will also be eligible for re-election at future AGMs. She presently does not receive any remuneration from the Company.

Save as disclosed above, Madam U has not held any directorship in any other listed public companies in the last three (3) years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, except for her personal interests in 1,238,287 shares of LSG and 40,378 shares of LSD, Madam U does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

In accordance with the Bye-laws, Mr. Lui Siu Tsuen, Richard and Madam U Po Chu will retire as Directors at 2022 AGM, and being eligible, offer themselves for re-election thereat. Save as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

The following is a summary of the principal terms of the New Scheme. It does not form part of, nor is it intended to be part of the rules of the New Scheme and it should not be taken as affecting the interpretation of the rules of the New Scheme. The Directors reserve the right at any time prior to 2022 AGM to make such amendments to the New Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

### **1. PURPOSE OF THE NEW SCHEME**

The purpose of the New Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

### **2. ELIGIBLE PARTICIPANTS OF NEW SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS**

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of the Service Providers, assessing factors include: whether the nature of professional services provided by the Service Provider is in line with the Company's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's business segments and focuses from time to time, the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. 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 shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

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

- 3.1 The total number of Shares which may be issued upon the exercise of all Options to be granted under the New Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company ("**Other Schemes**") shall not in aggregate exceed 149,185,459, representing 10% of the total issued Shares on the Adoption Date ("**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to sub-paragraph 3.3 below. Options or awards cancelled or lapsed in accordance with the terms of the New Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 3.2 Subject to paragraph 3.1 above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 14,918,545 Shares, representing 1% of the total issued Shares on the Adoption Date ("**Service Provider Sublimit**").
- 3.3 The Company may seek approval of its Shareholders in the general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the New Scheme or the last refreshment.



- 3.4 Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (i) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding Independent Non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.
- 3.5 The requirements under paragraphs 3.4(i) and 3.4(ii) 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 Limit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- 3.6 The total number of Shares which may be issued in respect of all Options to be granted under the New Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total issued Shares as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- 3.7 The Company may seek separate approval by the Shareholders in its general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Options to be granted, 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.
- 3.8 In addition to paragraph 3.3, if required under Rule 14.32A of the Listing Rules and other provisions under Chapter 14 of the Listing Rules, approval from the shareholders of LSD and/or LSG, respectively shall also be obtained if the Company proposes to increase or refresh the Scheme Mandate Limit.

#### 4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 21 below, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the total issued Shares at the Date of Grant (“**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules. The number and terms (including the Subscription Price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

#### 5. ACCEPTANCE OF OPTION

Offers to grant an Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of the Company (“**Company Secretary**”) within a period of thirty (30) days inclusive of, and from, the Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New Scheme or after the New Scheme has been terminated; or by a person who ceases to be an Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant with the number of Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 per Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of Options being accepted or deemed to have been accepted, each Option Holder gives the Company an unfettered right to publish an announcement relating to the terms of the offer in accordance with the Listing Rules.

**6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED**

Save as provided in paragraphs 7, 9 to 12 below, Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Company Secretary must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder exercising the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised; and (ii) payment in full of the Subscription Price. Notwithstanding anything in provisions under the New Scheme to the contrary, the Option Period shall not be extended and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its obligations under the New Scheme in relation to such exercise.

**7. VESTING PERIOD OF OPTION**

7.1 Save for the circumstances prescribed in paragraph 7.2 below, an Option must be held by the Option Holder for at least twelve (12) months before the Option can be exercised.

7.2 A shorter vesting period may be granted to Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) 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;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months;
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
- (vi) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New Scheme.

**8. OPTION PRICE**

The Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the Date of Grant at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Date of Grant, which must be a trading day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) trading days immediately preceding the Date of Grant; and (c) the nominal value of the Shares on the Date of Grant, provided that the Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

**9. RIGHTS ON WINDING UP**

If notice is given of a general meeting of the Company at which a resolution will be proposed for the members' voluntary winding-up of the Company, each Option Holder shall be entitled, at any time not later than two (2) business days prior to the proposed resolution being duly passed, to exercise his outstanding Options in whole or in part, but only so far as such Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

**10. RIGHTS ON A GENERAL OFFER**

If, in consequence of any general offer made to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of the Company, each Option Holder shall be entitled to exercise at any time within a period of fourteen (14) days after such control has been obtained the Option in whole or in part, unless the Directors (excluding the relevant Option Holder who is a Director) in their discretion notwithstanding the terms of the relevant Option, vary the option exercise period of such Options granted.

**11. RIGHTS ON A COMPROMISE OR ARRANGEMENT**

If a compromise or an arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or an arrangement, and thereupon any Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the Option Holders in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL**

- (i) in the event of the Option Holder ceases to be an Eligible Participant because the Related Entity (to which the Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a Related Entity, then he may exercise all his outstanding Options within twelve (12) months after he so ceases and any such Options not so exercised shall lapse and determine at the end of the said period of twelve (12) months;
- (ii) in the event the Option Holder ceases to be an Eligible Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Option Holder's employment, directorship, office, appointment or engagement under sub-paragraph (iii) below arises prior to his or her death, the legal personal representative(s) of the Option Holder shall be entitled within a period of twelve (12) months from the date of death, to exercise the Option up to the entitlement of such Option Holder as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);
- (iii) in the event that the date on which the Option Holder ceases to be an Eligible Participant by reason of the termination of his employment, directorship, office, appointment or engagement on the grounds that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his or her employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Option Holder's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Option Holder is terminated by the relevant company pursuant to the contract thereof without notice, and a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of an Option Holder has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding, then all his outstanding Options shall lapse and determine on the date he or she so ceases;
- (iv) in the event that the Option Holder ceases to be an Eligible Participant by reason of his or her retirement in accordance with his or her contract of employment or service, any outstanding Option(s) may be exercised during the Option Period subject to the criteria and conditions set out in the option letter; and

- (v) for any reason other than as described in sub-paragraphs (i) to (iv) above, then all Options of his or her which are exercisable at the date he or she ceases to be an Eligible Participant may be exercised to the extent then exercisable within three (3) months of the date he or she so ceases and unless so exercised shall then lapse and determine;

provided always that in each case the Directors in their absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

### **13. DURATION OF THE NEW SCHEME**

The New Scheme will remain in force for a period of ten (10) years commencing on the Effective Date (“**Scheme Period**”).

### **14. LAPSE OF OPTION**

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

14.1 the expiry of the Option Period;

14.2 the expiry of any of the periods referred to in paragraphs 9, 10 (unless otherwise determined by the Directors), 11 and 12 above;

14.3 the date on which the Option Holder commits a breach of paragraph 18 below, if the Directors shall exercise the Company’s right to cancel any outstanding Option or part thereof granted; or

14.4 the date on which the Option is cancelled by the Directors as provided in paragraph 16 below.

The Company shall owe no liability to an Option Holder for the lapse of any Option under this paragraph 14.

**15. ADJUSTMENT**

In the event of any alteration in the capital structure of the Company which arises or may arise immediately following the commencement of the Scheme Period from any issue of shares in or other securities of the Company by way of reduction, subdivision or consolidation of the share capital of the Company or any capitalisation issue or rights issue which the Board considers an adjustment necessary under this paragraph 15, the number or nominal amount of Shares comprised in each Option for the time being outstanding, the Option Price, the Individual Limit in relation to any Option Holder and/or the amounts of multiples of Shares capable of being exercised pursuant to the New Scheme, may be adjusted in such manner as the Directors (having received a statement in writing from the independent auditors or independent financial adviser of the Company, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:

- (a) the Option Price payable upon the exercise of any Option becoming less than the nominal amount of the Share;
- (b) the aggregate Subscription Price relating to any Option being increased;
- (c) the proportion of equity capital, rounded to the nearest whole share of the Company to which the Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he was entitled before;
- (d) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall not be greater than the Scheme Mandate Limit (subject to adjustments); and
- (e) the intrinsic value of any Option to have increased to the advantage of the Option Holder.

In addition, in respect of any adjustments under this paragraph 15, other than any made on a capitalisation issue, the independent auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**16. CANCELLATION OF OPTIONS GRANTED**

Options granted and accepted but not exercised may not be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the New Scheme (or the Other Schemes) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

**17. TERMINATION OF THE NEW SCHEME**

The Company by resolution in the general meeting may at any time terminate the operation of the New Scheme before the expiry of the Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the New Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the New Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing Other Scheme after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Scheme, and accordingly no relevant disclosure in relation to Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

**18. TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

**19. ALTERATION OF THE NEW SCHEME**

19.1 The Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New Scheme as they deem desirable, provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Scheme altering to the advantage of Option Holders (present or future) any of the provisions of the New Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” in sub-paragraph 1.1 of the New Scheme, the terms and conditions of the New Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules.

19.2 No amendments to the New Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with such consent on their part as would be required under the provisions of the Bye-laws of the Company as if the Options constituted a separate class of share capital and as if such provisions applied *mutatis mutandis* thereto.

19.3 Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Scheme.



19.4 Save as otherwise provided in the terms of the New Scheme, an amendment of a material nature to the New Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.

19.5 The amended terms of the New Scheme or the Options must still comply with the relevant requirements of the Listing Rules.

19.6 Any change to the authority of the Directors or scheme administrators in relation to alter the terms of the New Scheme must be approved by the Shareholders in the general meeting.

## **20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM**

Unless otherwise imposed by the Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the New Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

## **21. GRANT OF OPTIONS TO CONNECTED PERSONS**

21.1 In addition to paragraph 4 above, any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the Independent Non-executive Directors (excluding any Independent Non-executive Director who is a proposed grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

21.2 Where Options are proposed to be granted to an Independent Non-executive Director or a substantial Shareholder, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New Scheme) granted to such person in the twelve (12)-month period up to and including the Date of Grant to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting.

21.3 In the circumstances described in paragraph 21.2 above, the Company must send a circular to the Shareholders setting out the details as required under Rule 17.04(5) of the Listing Rules. The relevant Option Holder, his or her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

**22. CONDITIONS OF THE NEW SCHEME**

The New Scheme shall take effect upon satisfaction of the following conditions:

- 22.1 the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the New Scheme and to authorise the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Scheme;
- 22.2 the passing of the necessary resolutions by the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New Scheme by the Company; and
- 22.3 the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the New Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New Scheme shall forthwith determine and any Option granted or agreed to be granted pursuant to provisions of the New Scheme and any offer of Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New Scheme or any Option.

**23. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

**24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS**

No offer of an Option shall be made and no Option shall be granted to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to the Company's knowledge until such price sensitive information or inside information has been publicly disseminated in accordance with the Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the Listing Rules or any applicable law.

The following is a summary of the principal terms of the New MAGHL Scheme to be approved at 2022 AGM. It does not form part of, nor is it intended to be part of the rules of the New MAGHL Scheme and it should not be taken as affecting the interpretation of the rules of the New MAGHL Scheme.

**1. PURPOSE OF THE NEW MAGHL SCHEME**

The purpose of the New MAGHL Scheme is to recognise the contribution or future contribution of the MAGHL Eligible Participants for their contribution to the MAGHL Group by granting MAGHL Options to them as incentives or rewards and to attract, retain and motivate high-calibre MAGHL Eligible Participants in line with the performance goals of the MAGHL Group and the MAGHL Related Entities. The New MAGHL Scheme shall strengthen the many long-term relationships that the MAGHL Eligible Participants may have with the MAGHL Group.

**2. MAGHL ELIGIBLE PARTICIPANTS OF THE NEW MAGHL SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF MAGHL ELIGIBLE PARTICIPANTS**

MAGHL Eligible Participants include the MAGHL Employee Participants, the MAGHL Service Providers and the MAGHL Related Entity Participants.

In determining the basis of eligibility of each MAGHL Eligible Participant, the MAGHL Board would mainly take into account of the experience of the MAGHL Eligible Participant on the MAGHL Group's businesses, the length of service of the MAGHL Eligible Participant with the MAGHL Group (if the MAGHL Eligible Participant is an employee or a director of any member of the MAGHL Group), the actual degree of involvement in and/or cooperation with the MAGHL Group and length of collaborative relationship the MAGHL Eligible Participant has established with the MAGHL Group (if the MAGHL Eligible Participant is a MAGHL Service Provider of any member of the MAGHL Group), and the amount of support, assistance, guidance, advice, efforts and contributions the MAGHL Eligible Participant has exerted and given towards the success of the MAGHL Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the MAGHL Eligible Participant is likely to be able to give or make towards the success of the MAGHL Group in the future.

For MAGHL Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the MAGHL Group and the individual contribution or potential contribution to the development and growth of the MAGHL Group.

For each category of MAGHL Service Providers, assessing factors include: whether the nature of professional services provided by the Service Provider is in line with MAGHL's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the MAGHL Group, having regard to the MAGHL Group's business segments and focuses from time to time, the individual performance of relevant MAGHL Service Providers, the length of business relationship with the MAGHL Group, the materiality and nature of the business relationship with the MAGHL Group (such as whether they relate to the core business of the MAGHL Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the MAGHL Group and the scale of business dealings with the MAGHL Group with regard to factors such as the actual or expected change in the MAGHL Group's revenue or profits which is or may be attributable to the MAGHL Service Providers. In assessing whether the MAGHL Service Provider provides services to the MAGHL Group on a continuing and recurring basis and in its ordinary and usual course of business, the MAGHL Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the MAGHL Group by the MAGHL Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the MAGHL Group, as disclosed in MAGHL's announcements, circulars, interim, quarterly and annual reports.

### 3. MAXIMUM NUMBER OF MAGHL SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The total number of MAGHL Shares which may be issued upon the exercise of all MAGHL Options to be granted under the New MAGHL Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of MAGHL ("**MAGHL Other Schemes**") shall not in aggregate exceed 298,631,401, representing 10% of the MAGHL Shares in issue on the MAGHL Adoption Date ("**MAGHL Scheme Mandate Limit**") unless MAGHL obtains an approval from the MAGHL Shareholders pursuant to sub-paragraph 3.3 below. MAGHL Options or awards cancelled or lapsed in accordance with the terms of the New MAGHL Scheme or MAGHL Other Schemes shall not be counted for the purposes of calculating whether the MAGHL Scheme Mandate Limit and the MAGHL Service Provider Sublimit (as defined below) have been exceeded. If MAGHL conducts a share consolidation or subdivision after the MAGHL Scheme Mandate Limit has been approved in general meeting, the maximum number of MAGHL Shares that may be issued in respect of all MAGHL Options to be granted under the New MAGHL Scheme and options and awards to be granted under all MAGHL Other Schemes under the MAGHL Scheme Mandate Limit or the MAGHL Service Provider Sublimit as a percentage of the total number of issued MAGHL Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.
- 3.2 Subject to paragraph 3.1 above, within the MAGHL Scheme Mandate Limit, the total number of MAGHL Shares which may be issued upon exercise of all options to be granted to MAGHL Service Providers shall not exceed 29,863,140 MAGHL Shares, representing 1% of the total number of issued MAGHL Shares on the MAGHL Adoption Date ("**MAGHL Service Provider Sublimit**").

- 3.3 MAGHL may seek approval of MAGHL Shareholders in the general meeting for refreshing the MAGHL Scheme Mandate Limit and the MAGHL Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New MAGHL Scheme after three (3) years from the date of approval by the MAGHL Shareholders for the adoption of the New MAGHL Scheme or the last refreshment.
- 3.4 Any refreshment within any three (3)-year period must be approved by MAGHL Shareholders subject to that:
- (i) any controlling shareholder of MAGHL and their associates (or if there is no controlling shareholder of MAGHL, directors (excluding independent non-executive directors) and the chief executive of MAGHL and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (ii) MAGHL must comply with the requirements under Rules 17.47(6), 17.47(7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.
- 3.5 The requirements under paragraphs 3.4(i) and 3.4(ii) above do not apply if the refreshment is made immediately after an issue of securities by MAGHL to the MAGHL Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the MAGHL Scheme Mandate Limit (as a percentage of the total number of MAGHL Shares in issue) upon refreshment is the same as the unused part of the MAGHL Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole MAGHL Share.
- 3.6 The total number of MAGHL Shares which may be issued in respect of all MAGHL Options to be granted under the New MAGHL Scheme (in aggregate with any other options and awards to be granted under any MAGHL Other Schemes that involve(s) the issuance of new MAGHL Shares) under the MAGHL Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of MAGHL Shares in issue as at the date of approval of the refreshed MAGHL Scheme Mandate Limit. MAGHL shall send to the MAGHL Shareholders a circular containing all such information as may be required under the GEM Listing Rules.
- 3.7 MAGHL may seek separate approval by MAGHL Shareholders in its general meeting for granting MAGHL Options beyond the MAGHL Scheme Mandate Limit provided the MAGHL Options in excess of the MAGHL Scheme Mandate Limit are granted only to MAGHL Eligible Participants specifically identified by MAGHL before such approval is sought. In such a case, MAGHL shall send to the MAGHL Shareholders a circular containing the name of each specified MAGHL Eligible Participant who may be granted such MAGHL Options, the number and terms of the MAGHL Options to be granted to each MAGHL Eligible Participant, and the purpose of granting MAGHL Options to the specified MAGHL Eligible Participants with an explanation as to how the terms of the MAGHL Options serve such purpose and all such information as may be required under the GEM Listing Rules. The number and terms of MAGHL Options to be granted to such MAGHL Eligible Participants must be fixed before approval by the MAGHL Shareholders. In respect of any MAGHL Options to be granted, the date of MAGHL Board meeting for proposing such grant should be taken as the MAGHL Date of Grant for the purpose of calculating the MAGHL Subscription Price.

3.8 In addition to paragraph 3.3, if required under Rule 14.32A of the Listing Rules and other provisions under Chapter 14 of the Listing Rules, approval from the MAGHL Shareholders and shareholders of LSD and/or LSG, respectively shall also be obtained if MAGHL proposes to increase or refresh the MAGHL Scheme Mandate Limit.

#### 4. MAXIMUM ENTITLEMENT OF MAGHL SHARES OF EACH MAGHL ELIGIBLE PARTICIPANT

Subject to paragraph 21 below, the total number of MAGHL Shares issued and to be issued upon exercise of the options and awards granted to each MAGHL Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the MAGHL Date of Grant shall not exceed 1% of the MAGHL Shares in issue at the MAGHL Date of Grant (“**MAGHL Individual Limit**”). Where it is proposed that any offer is to be made to a MAGHL Eligible Participant (or where approximate, an existing grantee) which would result in the MAGHL Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant MAGHL Date of Grant to exceed his, her or its MAGHL Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the MAGHL Shareholders in the general meeting with such MAGHL Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. MAGHL must send a circular to the MAGHL Shareholders disclosing the identity of the MAGHL Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such MAGHL Eligible Participant and the information required under the GEM Listing Rules. The number and terms (including the MAGHL Subscription Price) of options to be granted to such MAGHL Eligible Participant must be fixed before the date on which approval of the MAGHL Shareholders is sought and the date of the MAGHL Board meeting for proposing such further grant should be taken as the MAGHL Date of Grant for the purpose of calculating the MAGHL Subscription Price.

#### 5. ACCEPTANCE OF MAGHL OPTION

Offers to grant a MAGHL Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of MAGHL (“**MAGHL Company Secretary**”) within a period of thirty (30) days inclusive of, and from, the MAGHL Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New MAGHL Scheme or after the New MAGHL Scheme has been terminated; or by a person who ceases to be a MAGHL Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the MAGHL Eligible Participant with the number of MAGHL Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of MAGHL of HK\$1.00 per MAGHL Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of MAGHL Options being accepted or deemed to have been accepted, each MAGHL Option Holder gives MAGHL an unfettered right to publish an announcement relating to the terms of the offer in accordance with the GEM Listing Rules.

## **6. PERIOD WITHIN WHICH THE MAGHL OPTION MAY BE EXERCISED**

Save as provided in paragraphs 7, 9 to 12 below, MAGHL Options for the time being outstanding may be exercised in whole or in part at any time during the MAGHL Option Period. In order for the exercise of a MAGHL Option to be effective, the MAGHL Company Secretary must, prior to the expiry of the MAGHL Option Period, have received: (i) a written notice from the MAGHL Option Holder exercising the MAGHL Option, signed by or on behalf of the MAGHL Option Holder and specifying the number of MAGHL Shares in respect of which the MAGHL Option is being exercised; and (ii) payment in full of the MAGHL Subscription Price. Notwithstanding anything in provisions under the New MAGHL Scheme to the contrary, the MAGHL Option Period shall not be extended and, on the expiry of the MAGHL Option Period, all rights in respect of a MAGHL Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that MAGHL Option prior thereto and MAGHL has not discharged all its obligations under the New MAGHL Scheme in relation to such exercise.

## **7. VESTING PERIOD OF MAGHL OPTION**

7.1 Save for the circumstances prescribed in paragraph 7.2 below, a MAGHL Option must be held by the MAGHL Option Holder for at least twelve (12) months before the MAGHL Option can be exercised.

7.2 A shorter vesting period may be granted to MAGHL Employee Participants at the discretion of the MAGHL Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the MAGHL Board in any of the following circumstances:

- (i) grants of “make-whole” MAGHL Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to a MAGHL Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include MAGHL 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 MAGHL Option would have been granted;
- (iv) grants with a mixed or accelerated vesting schedule such as where the MAGHL Option may vest evenly over a period of twelve (12) months;
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
- (vi) the MAGHL Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New MAGHL Scheme.

**8. MAGHL OPTION PRICE**

The MAGHL Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the MAGHL Date of Grant at the absolute discretion of the MAGHL Directors as an amount per MAGHL Share which shall be at least the highest of (a) the closing price of the MAGHL Shares as stated in the Stock Exchange's daily quotation sheet on the MAGHL Date of Grant, which must be a trading day; (b) the average of the closing prices of the MAGHL Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) trading days immediately preceding the MAGHL Date of Grant; and (c) the nominal value of the MAGHL Shares on the MAGHL Date of Grant, provided that the MAGHL Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

**9. RIGHTS ON WINDING UP**

If notice is given of a general meeting of MAGHL at which a resolution will be proposed for the members' voluntary winding-up of MAGHL, each MAGHL Option Holder shall be entitled, at any time not later than two (2) business days prior to the proposed resolution being duly passed, to exercise his outstanding MAGHL Options in whole or in part, but only so far as such MAGHL Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all MAGHL Options then outstanding shall lapse and determine on the commencement of the winding-up.

**10. RIGHTS ON A GENERAL OFFER**

If, in consequence of any general offer made to all MAGHL Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of MAGHL, each MAGHL Option Holder shall be entitled to exercise at any time within a period of fourteen (14) days after such control has been obtained the MAGHL Option in whole or in part, unless the MAGHL Directors (excluding the relevant MAGHL Option Holder who is a MAGHL Director) in their discretion notwithstanding the terms of the relevant MAGHL Option, vary the option exercise period of such MAGHL Options granted.

**11. RIGHTS ON A COMPROMISE OR ARRANGEMENT**

If a compromise or an arrangement between MAGHL and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of MAGHL or its amalgamation with any other company or companies, MAGHL shall give notice thereof to all MAGHL Option Holders on the same date as it despatches the notice to each member or creditor of MAGHL to consider such a compromise or an arrangement, and thereupon any MAGHL Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his MAGHL Option but the exercise of the MAGHL Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. MAGHL may thereafter require each MAGHL Option Holder to transfer or otherwise deal with the MAGHL Shares issued as a result of such exercise of his or her MAGHL Option so as to place the MAGHL Option Holders in the same position as nearly as would have been the case had such MAGHL Shares been subject to such compromise or arrangement.



**12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL**

- (i) in the event of the MAGHL Option Holder ceases to be a MAGHL Eligible Participant because the MAGHL Related Entity (to which the MAGHL Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a MAGHL Related Entity, then he or she may exercise all his or her outstanding MAGHL Options within twelve (12) months after he so ceases and any such MAGHL Options not so exercised shall lapse and determine at the end of the said period of twelve (12) months;
- (ii) in the event the MAGHL Option Holder ceases to be a MAGHL Eligible Participant by reason of death before exercising the MAGHL Option in full and none of the events which would be a ground for termination of the MAGHL Option Holder's employment, directorship, office, appointment or engagement under sub-paragraph (iii) below arises prior to his or her death, the legal personal representative(s) of the MAGHL Option Holder shall be entitled within a period of twelve (12) months from the date of death, to exercise the MAGHL Option up to the entitlement of such MAGHL Option Holder as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);
- (iii) in the event that the date on which the MAGHL Option Holder ceases to be a MAGHL Eligible Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on the grounds that he or she has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the MAGHL Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his or her employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the MAGHL Option Holder's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the MAGHL Option Holder is terminated by the relevant company pursuant to the contract thereof without notice, and a resolution of the board of directors of the relevant member of the MAGHL Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of a MAGHL Option Holder has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding, then all his outstanding MAGHL Options shall lapse and determine on the date he or she so ceases;

- (iv) in the event that the MAGHL Option Holder ceases to be a MAGHL Eligible Participant by reason of his or her retirement in accordance with his or her contract of employment or service, any outstanding MAGHL Option(s) may be exercised during the MAGHL Option Period subject to the criteria and conditions set out in the option letter; and
- (v) for any reason other than as described in sub-paragraphs (i) to (iv) above, then all MAGHL Options of his or her which are exercisable at the date he or she ceases to be a MAGHL Eligible Participant may be exercised to the extent then exercisable within three (3) months of the date he or she so ceases and unless so exercised shall then lapse and determine;

provided always that in each case the Directors in their absolute discretion may decide that such MAGHL Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

### **13. DURATION OF THE NEW MAGHL SCHEME**

The New MAGHL Scheme will remain in force for a period of ten (10) years commencing on the MAGHL SOS Effective Date (“**MAGHL Scheme Period**”).

### **14. LAPSE OF MAGHL OPTION**

A MAGHL Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- 14.1 the expiry of the MAGHL Option Period;
- 14.2 the expiry of any of the periods referred to in paragraphs 9, 10 (unless otherwise determined by the MAGHL Directors), 11 and 12 above;
- 14.3 the date on which the MAGHL Option Holder commits a breach of paragraph 18 below, if the MAGHL Directors shall exercise MAGHL’s right to cancel any outstanding MAGHL Option or part thereof granted; or
- 14.4 the date on which the MAGHL Option is cancelled by the MAGHL Directors as provided in paragraph 16 below.

MAGHL shall owe no liability to a MAGHL Option Holder for the lapse of any MAGHL Option under this paragraph 14.

**15. ADJUSTMENT**

In the event of any alteration in the capital structure of MAGHL or the date of any previous adjustment(s) pursuant to this paragraph 15 (whichever is later) which arises or may arise immediately following the commencement of the MAGHL Scheme Period from any issue of shares in or other securities of MAGHL by way of reduction, subdivision or consolidation of the share capital of MAGHL or any capitalisation issue or rights issue which the MAGHL Board considers an adjustment necessary under this paragraph 15, the number or nominal amount of MAGHL Shares comprised in each MAGHL Option for the time being outstanding, the MAGHL Option Price, the MAGHL Individual Limit in relation to any MAGHL Option Holder and/or the amounts of multiples of MAGHL Shares capable of being exercised pursuant to the New MAGHL Scheme, may be adjusted in such manner as the MAGHL Directors (having received a statement in writing from the independent auditors or independent financial adviser of MAGHL, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the GEM Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:

- (a) the MAGHL Option Price payable upon the exercise of any MAGHL Option becoming less than the nominal amount of the MAGHL Share;
- (b) the aggregate MAGHL Subscription Price relating to any MAGHL Option being increased;
- (c) the proportion of equity capital, rounded to the nearest whole share of MAGHL to which the MAGHL Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he or she was entitled before;
- (d) the aggregate percentage of the issued share capital of MAGHL available for the grant of MAGHL Options shall not be greater than the MAGHL Scheme Mandate Limit (subject to adjustments); and
- (e) the intrinsic value of any MAGHL Option to have increased to the advantage of the MAGHL Option Holder.

In addition, in respect of any adjustments under this paragraph 15, other than any made on a capitalisation issue, the independent auditors or independent financial adviser of MAGHL must confirm to the MAGHL Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

**16. CANCELLATION OF MAGHL OPTIONS GRANTED**

MAGHL Options granted and accepted but not exercised may not be cancelled without the consent of the relevant MAGHL Option Holder thereof and any new MAGHL Options (or any other options) issued in replacement of MAGHL Options cancelled may only be issued under the New MAGHL Scheme (or the MAGHL Other Schemes) with available MAGHL Scheme Mandate Limit and MAGHL Service Provider Sublimit approved by the MAGHL Shareholders as mentioned in paragraph 3 above. The MAGHL Options cancelled will be regarded as utilised for the purpose of calculating the MAGHL Scheme Mandate Limit and MAGHL Service Provider Sublimit.

**17. TERMINATION OF THE NEW MAGHL SCHEME**

MAGHL by resolution in the general meeting may at any time terminate the operation of the New MAGHL Scheme before the expiry of the MAGHL Scheme Period and in such event, no further offer to grant a MAGHL Option shall be made but in all other respects the provisions of the New MAGHL Scheme shall remain in force. Upon such termination, details of the MAGHL Options granted (including options exercised or outstanding) and (if applicable) MAGHL Options that become void or non-exercisable as a result of the termination under the New MAGHL Scheme are required under the GEM Listing Rules to be disclosed in the circular to the MAGHL Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing MAGHL Other Scheme after such termination. All MAGHL Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New MAGHL Scheme, and accordingly no relevant disclosure in relation to MAGHL Options that become void or non-exercisable as a result of the termination will be included in the circular to the MAGHL Shareholders as such disclosure is not applicable.

**18. TRANSFERABILITY OF MAGHL OPTIONS**

A MAGHL Option shall be personal to the MAGHL Option Holder and shall not be transferable and no MAGHL Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any MAGHL Option, unless a waiver is granted by the Stock Exchange. Any breach of the foregoing shall entitle MAGHL to cancel any outstanding MAGHL Option or part thereof granted to such MAGHL Option Holder.

**19. ALTERATION OF THE NEW MAGHL SCHEME**

19.1 The MAGHL Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New MAGHL Scheme as they deem desirable, provided that, except with the prior sanction of the MAGHL Shareholders in the general meeting, no alteration shall be made to the New MAGHL Scheme altering to the advantage of MAGHL Option Holders (present or future) any of the provisions of the New MAGHL Scheme as to the definitions of “MAGHL Eligible Participants”, “MAGHL Option Period” and “MAGHL Scheme Period” in sub-paragraph 1.1 of the New MAGHL Scheme, the terms and conditions of the New MAGHL Scheme which are of a material nature and all such other matters set out in Rule 23.03 of the GEM Listing Rules.

- 19.2 No amendments to the New MAGHL Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of MAGHL Option Holders except with such consent on their part as would be required under the provisions of the bye-laws of MAGHL as if the MAGHL Options constituted a separate class of share capital and as if such provisions applied *mutatis mutandis* thereto.
- 19.3 Change to the terms of the MAGHL Options granted to a MAGHL Eligible Participant must be approved by the MAGHL Board, the MAGHL Remuneration Committee, the independent non-executive directors of MAGHL and/or MAGHL Shareholders (as the case may be) if the initial grant of the MAGHL Options was approved by the MAGHL Board, the MAGHL Remuneration Committee, the independent non-executive directors of MAGHL and/or the MAGHL Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New MAGHL Scheme.
- 19.4 Save as otherwise provided in the terms of the New MAGHL Scheme, an amendment of a material nature to the New MAGHL Scheme may not be made by the MAGHL Directors, without the prior approval of MAGHL Shareholders in the general meeting.
- 19.5 The amended terms of the New MAGHL Scheme or the MAGHL Options must still comply with the relevant requirements of the GEM Listing Rules.
- 19.6 Any change to the authority of the MAGHL Directors or scheme administrators in relation to alter the terms of the New MAGHL Scheme must be approved by the MAGHL Shareholders in the general meeting.

## **20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM**

Unless otherwise imposed by the MAGHL Directors and stated in the relevant offer letter, there is neither any performance targets required to be achieved by any MAGHL Option Holder before a MAGHL Option is capable of being exercised by the MAGHL Option Holder nor any clawback mechanism under the New MAGHL Scheme for MAGHL to recover or withhold any remuneration (which may include MAGHL Options granted to any MAGHL Option Holder) to any MAGHL Eligible Participants in the event of serious misconduct, a material misstatement in MAGHL's financial statements or other circumstances.

**21. GRANT OF MAGHL OPTIONS TO CONNECTED PERSONS**

- 21.1 In addition to paragraph 4 above, any grant of MAGHL Options to a MAGHL Eligible Participant who is a MAGHL Director, chief executive or substantial shareholder of MAGHL or their respective associates must be approved by the independent non-executive directors of MAGHL (excluding any independent non-executive director of MAGHL who is a proposed grantee of the relevant MAGHL Options) and shall comply with the requirements of Rule 23.04 of the GEM Listing Rules.
- 21.2 Where MAGHL Options are proposed to be granted to an independent non-executive director of MAGHL or a substantial shareholder of MAGHL, or any of their respective associates and if such grant would result in the total number of MAGHL Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New MAGHL Scheme) granted to such person in the twelve (12)-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of MAGHL Shares, then the proposed grant must be subject to the approval of MAGHL Shareholders taken on a poll in a general meeting.
- 21.3 In the circumstances described in paragraph 21.2 above, MAGHL must send a circular to the MAGHL Shareholders setting out the details as required under Rule 23.04(5) of the GEM Listing Rules. The relevant MAGHL Option Holder, his or her associates and all core connected persons of MAGHL must abstain from voting in favour at such general meeting. MAGHL must comply with the requirements set out in Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

**22. CONDITIONS OF THE NEW MAGHL SCHEME**

The New MAGHL Scheme shall take effect after the expiry of the Existing MAGHL Scheme and upon satisfaction of the following conditions:

- 22.1 the passing of the necessary resolutions by the MAGHL Shareholders in a general meeting to adopt the New MAGHL Scheme and to authorise the MAGHL Directors to grant MAGHL Options to subscribe for MAGHL Shares hereunder and to allot, issue and deal with MAGHL Shares pursuant to the exercise of any MAGHL Options granted under the New MAGHL Scheme;
- 22.2 the passing of the necessary resolutions by the MAGHL Shareholders and the shareholders of LSD and LSG in their respective general meetings to approve the adoption of the New MAGHL Scheme by MAGHL; and
- 22.3 the approval for the listing of, and permission to deal in, any MAGHL Shares to be issued and allotted pursuant to the exercise of MAGHL Options under the New MAGHL Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New MAGHL Scheme shall forthwith determine and any MAGHL Option granted or agreed to be granted pursuant to provisions of the New MAGHL Scheme and any offer of MAGHL Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New MAGHL Scheme or any MAGHL Option.

**23. RANKING OF MAGHL SHARES**

The MAGHL Shares to be allotted upon the exercise of a MAGHL Option will be subject to all the provisions of the bye-laws of MAGHL for the time being in force and will rank pari passu with the fully paid MAGHL Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The MAGHL Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the MAGHL Option Holder (or any other person) as the holder of those MAGHL Shares.

**24. RESTRICTION ON THE TIME OF GRANT OF MAGHL OPTIONS**

No offer of a MAGHL Option shall be made and no MAGHL Option shall be granted to any MAGHL Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to MAGHL's knowledge until such price sensitive information or inside information has been publicly disseminated in accordance with the GEM Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the GEM Listing Rules or any applicable law.

*This is a marked-up version which shows the changes made to the Existing Bye-laws. The English version shall always prevail in the case of any discrepancy or inconsistency between the English version and its Chinese translation.*

<b>Bye-law</b>	<b>Proposed Amendments (showing changes to the Existing Bye-laws)</b>	
1.	“Act”	the Companies Act 1981 <u>(as amended)</u> of Bermuda and as amended from time to time.
	<u>“Electronic Record”</u>	<u>shall have the same meaning as in the Electronics Transactions Act (as amended) of Bermuda.</u>
	<u>“Specified Place”</u>	<u>shall mean the place, if any, specified in the notice of any general meeting or adjourned meeting, at which the chairman of the meeting shall preside.</u>
2. (h)		a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting <u>held in accordance with these Bye-laws and</u> of which <del>not less than twenty-one (21) clear days’ Notice;</del> specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution; <del>has been duly given; Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given;</del>
2. (i)		a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting <u>held in accordance with these Bye-laws</u> <del>of which not less than fourteen (14) days’ Notice has been duly given;</del>
2. (k)		references to a document <u>(including, but without limitation, a resolution in writing)</u> being <u>signed or</u> executed include references to it being executed under hand or under seal or by electronic signature or by any other method <u>of verifying the authenticity of an Electronic Record as the Board may from time to time approve or prescribe, either generally or for a particular purpose</u> and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;:-



Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
2. (l)	<u>a reference to anything being done by electronic means includes its being done by means of any electronic or other communications equipment or facilities and reference to any communication being delivered or received, or being delivered or received at a particular place, includes the transmission of an Electronic Record to a recipient identified in such manner or by such means as the Board may from time to time approve or prescribe, either generally or for a particular purpose;</u>
2. (m)	<u>any reference in these presents to votes cast or taken at a general meeting shall include all votes taken (in such manner as may be directed by the chairman of that meeting whether by a count of votes by show of hands and/or by the use of ballot or voting papers or tickets and/or by electronic means) of Members attending in person, by corporate representative or by proxy at that meeting.</u>
3. (1)	The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of a par value of <u>HK\$0.10-50</u> each.
9.	<u>Subject to Sections 42 and 43 of the Act, these Bye-laws and to any special rights conferred on the holders of any shares or attaching to any class of shares,</u> any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.
10.	Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of <u>the voting rights of</u> the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:
12. (2)	The Board may issue warrants <u>or convertible securities or securities of similar nature</u> conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

- | <b>Bye-law</b> | <b>Proposed Amendments (showing changes to the Existing Bye-laws)</b>  |
|----------------|--|
| 16.            | Every share certificate shall be issued under the Seal or a facsimile thereof <del>or with the Seal printed thereon</del> and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.   |
| 21.            | If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share <del>warrant</del> <u>certificate</u> shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.   |
| 22.            | The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member <del>of the Company</del> or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law. |
| 43. (1)        | The Company shall keep in one or more books a Register <del>of its Members</del> and shall enter therein the following particulars, that is to say:  |

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
43. (1)(a)	the name and address of each Member, the number and class of shares held by him and, <u>in respect of any shares that are not fully <del>the</del>paid, the</u> amount paid or agreed to be considered as paid on such shares;
43. (2)	Subject to the Act, the Company may keep an overseas or local or other branch register of Members <del>resident</del> in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44.	<u>Except when the Register is closed under the Act and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), <del>The</del>the Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge at the Office at which the Register is kept in accordance with the Act or at such place at which the branch register of Members is kept, as the case may be. The Register including any overseas or local or other branch register of Members may, after notice has been given in accordance with the Listing Rules, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.</u>
48. (3)	The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the <del>shareholder</del> Member requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
55. (2)(a)	all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws <del>of the Company</del> have remained uncashed;
56.	An annual general meeting of the Company shall be held in each <u>financial</u> year other than the year in which its statutory meeting is convened at such time <del>(within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the Designated Stock Exchange, if any)</del> and place <u>(if any)</u> as may be determined by the Board. <u>The annual general meeting must be held within six months after the end of the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any).</u>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
57A.	<del>Any general meeting may be held at more than one place provided that such technology is used which enables the Members in different places to listen, speak and vote at the meeting. The meeting shall be deemed to take place at the meeting location which the Chairman is present.</del>
58A.	<u>A general meeting may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. A general meeting may be held, as may be determined by the Board from time to time: (a) by physical attendance and participation by members at the Specified Place and where applicable, one or more places; (b) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (c) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities as mentioned above.</u>
58B.	<u>(A) The provisions of this Bye-law shall apply if any general meeting is convened at or adjourned to more than one place.</u>  <u>(B) The notice of any general meeting or adjourned meeting shall specify the Specified Place and the Board shall make arrangements for simultaneous attendance and participation in a satellite meeting at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by the Members. The Members present at any such satellite meeting place in person or by proxy and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Members attending at all the meeting places are able to:</u>  <u>(i) communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by use of microphones, loud-speakers, audio-visual or other communications equipment or facilities; and</u>  <u>(ii) have access to all documents which are required by the Act and these Bye-laws to be made available at the meeting.</u>

**Bye-law**                      **Proposed Amendments (showing changes to the Existing Bye-laws)**

- (C) The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the Specified Place. If it appears to the chairman of the general meeting that the facilities at the Specified Place or any satellite meeting place are or become inadequate to give all persons entitled to do so a reasonable opportunity to communicate simultaneously and instantaneously including to speak and vote at the meeting, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.
- (D) The Board or, at any general meeting, the chairman of the meeting may from time to time make such arrangements for the purpose of managing the level of attendance at any such satellite meeting as they/he shall in their/his absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places and the entitlement of any Member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.
- (E) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall specify the details of the meeting set out in Bye-law 59(2).
- (F) All persons seeking to attend and participate in a general meeting: (a) wholly by means of telephone, electronic or other communication facilities as mentioned above; or (b) by physical attendance at the Specified Place and where applicable, one or more places and at the same time by means of telephone, electronic or other communication facilities, shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-law 58B(C), any inability of a person or persons to attend or to communicate simultaneously and instantaneously including to speak and vote at the meeting in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
	<p><u>(G) If it appears to the chairman of a general meeting that the Specified Place (if any) is inadequate to accommodate all persons entitled and wishing to attend, the meeting is duly constituted and its proceedings are valid if the chairman is satisfied that adequate facilities are available, whether at the Specified Place or elsewhere, to ensure that Members attending at all meeting places are able to communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by the use of microphones, loud-speakers, audio-visual or other communications equipment or facilities.</u></p>
59. (1)	<p>An annual general meeting <del>and any special general meeting at which the passing of a special resolution is to be considered</del> shall be called by not less than twenty-one (21) clear days' Notice. All <del>other</del> special general meetings may be called by not less than fourteen (14) clear days' Notice but a general meeting may be called by shorter notice if it is so agreed:</p>
59. (2)	<p>The notice shall specify <u>(a) the time and date of the meeting; (b) save for a meeting held wholly by means of telephone, electronic or other communication facilities, the places of the meeting and if there is more than one meeting location, the Specified Place; (c) if the general meeting is to be held wholly or partly by means of telephone, electronic or other communication facilities, the notice shall include a statement to that effect and with details of the communication facilities for attendance and participation or how such details will be made available by the Company prior to the meeting;</u><del>the time and place of the meeting</del> and; <u>(d) in case of special business, the general nature of the business.</u> The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>
61. (3)	<p><u>All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.</u></p>
62.	<p>If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place <u>(if any)</u> or to such time and place <u>(if any)</u> as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.</p>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
63.	The president of the Company or the chairman <u>of the board</u> shall preside as chairman at every general meeting. If at any meeting the president or the chairman <u>of the board</u> , as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.
64.	The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time <u>(or indefinitely)</u> and from place to place <u>(if applicable) and from one form to another</u> as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the <del>time and place of the adjourned meeting</del> <u>details of meeting set out in Bye-law 59(2)</u> but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

**Bye-law Proposed Amendments (showing changes to the Existing Bye-laws)**

- 64A. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is unreasonable or impractical for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Bye-law shall be subject to the following:
- (a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);
  - (b) when only the form of the meeting or electronic facilities specified in the notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;
  - (c) when a meeting is postponed or changed in accordance with this Bye-law, subject to and without prejudice to Bye-law 64, unless already specified in the original notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy form) if they are received as required by these Bye-laws not less than 48 hours before the time of the postponed or changed meeting; and
  - (d) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original notice of general meeting circulated to the Members.



Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
73.	<u>All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Bye-laws or by the Act.</u> In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
84. (2)	Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members <u>or any creditors' meeting</u> provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)), in respect of the number and class of shares specified in the relevant authorisation including the right to vote <del>individually on a show of hands</del> <u>and the right to speak.</u>
84. (3)	Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law. <u>References in these Bye-laws to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative or by one or more proxies.</u>
86. (2)	The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed <u>under this Bye-law</u> by the Board shall hold office only until the <del>next following</del> <u>first annual</u> general meeting of the Company <del>(in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board)</del> <u>after his appointment</u> and shall then be eligible for re-election at that meeting.

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
86. (4)	<p><del>Subject to any provision to the contrary in these Bye-laws the</del> The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director <u>(including a managing or other executive Director)</u> at any time before the expiration of his <del>period</del> <u>term</u> of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.</p>
101.	<p>Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 102 herein.</p>
115.	<p>A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board of which notice <u>shall be deemed to be duly given to a Director if it is given to such Director</u> <del>may be given</del> in writing or by telephone <u>or via electronic mail</u> or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.</p>
116. (2)	<p>Directors may participate in any meeting of the Board by means of a conference telephone, <u>electronic</u> or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.</p>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
122.	A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall <u>be valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held</u> <del>(provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws)</del> <u>be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held</u> further provided that no <u>Director is aware of or has received any objection to the resolution from any Director.</u> Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid.
133. (1)(c)	of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board <del>and where there are managers, of all proceedings of meetings of the managers.</del>
134. (1)	The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal <del>of the Company</del> with the addition of the words “Securities Seal” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in <u>the</u> manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given.

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
148.	<p>The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law <del>and subject to Section 40(2A) of the Act</del>, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.</p>
153.	<p>Subject to Section 88 of the Act and Bye-laws <u>153A and 153B</u>, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.</p>
153A.	<p>To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, <del>a summary summarised</del> financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by <u>the Act and other applicable laws and regulations</u>, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to <del>a summary summarised</del> financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.</p>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
153B.	The requirement to send to a person referred to in Bye-law 153 the documents referred to in that Bye-law or <del>a summary financial report</del> <u>summarised financial statements</u> in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, <del>a summary financial report</del> <u>summarised financial statements</u> complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
154. (1)	Subject to Section 88 of the Act, at <del>the annual</del> <u>any</u> general meeting <del>or at a subsequent special general meeting in each year,</del> the Members <del>shall</del> <u>may by ordinary resolution</u> appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
154. (2)	Subject to Section 89 of the Act, a person, other than <del>a retiring an incumbent</del> Auditor, shall not be capable of being appointed Auditor at <del>an annual</del> <u>any</u> general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the <del>annual</del> <u>any</u> general meeting and furthermore, the Company shall send a copy of any such notice to the <del>retiring incumbent</del> Auditor.
154. (3)	<u>Subject as otherwise provided by the Act,</u> <del>The</del> <u>the</u> Members may, at any general meeting convened and held in accordance with these Bye-laws, by <del>special</del> <u>ordinary</u> resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
156.	The remuneration of the Auditor shall be fixed by the Company <u>by ordinary resolution</u> in general meeting or in such manner as the Members may determine.

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
157.	<p><u>The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 154(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 154(1) at such remuneration to be determined by Bye-law 156.</u><del>If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy.</del></p>
160. (1)	<p>Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the <del>Designed</del> <u>Designated</u> Stock Exchange), whether or not to be given or issued under these Bye-laws, from the Company to a Member; shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or <u>electronic</u> communication and any such Notice and document may be <del>served given</del> or <del>delivered</del> <u>issued</u> by the <del>Company on or to any Member</del> <u>either following means:</u></p> <ul style="list-style-type: none"><li data-bbox="399 1074 1418 1106">(a) <u>by serving it personally</u> <del>or on the relevant person;</del></li><li data-bbox="399 1138 1418 1244">(b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;</li><li data-bbox="399 1276 1418 1521">(c) <del>or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served</del> <u>by delivering or leaving it at such address as aforesaid;</u></li><li data-bbox="399 1553 1418 1691">(d) by <u>placing an advertisement in appointed newspapers</u> (as defined in the Act) or in <del>any other newspapers published daily and circulating generally in the territory of and in accordance with the requirements of</del> <u>any the</u> Designated Stock Exchange;</li></ul>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
	<p>(e) <u>by sending or, to the extent permitted by the applicable laws, transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person; by placing it on the Company's website and giving to the Member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</u></p>
	<p>(f) <u>by publishing it on the Company's website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company's website or the website to which the relevant person may have access (a "notice of availability"); and/or</u></p>
	<p>(g) <u>by sending or otherwise making it available to such person through such other means to the extent permitted and in accordance with the Statutes and other applicable laws, rules and regulations.</u></p>
160.(2)	<p><u>The notice of availability may be given by any of the means set out above other than by posting it on a website.</u></p>
160.(3)	<p><u>In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</u></p>
160.(4)	<p><u>Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</u></p>
160.(5)	<p><u>Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic address to which notices can be served upon him.</u></p>

Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
161.	<p>(b) if sent by electronic <u>transmission or electronic</u> communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent.</p> <p>(c) <del>A Notice placed if published on the Company's website, is deemed given by the Company to a Member shall be deemed to have been served on the day following that on which a notice of availability is deemed served on the Member</del> <u>the notice, document or publication first so appears on the Company's website which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;</u></p> <p>(de) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof;</p> <p>(ed) <del>if served by published as an advertisement in appointed a newspapers (as defined in the Act) or in any other newspapers in accordance with the requirements of any Designated Stock Exchange</del> <u>publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the notice is advertisement first published so appears; and</u></p> <p>(fe) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.</p>
163.	<p>For the purposes of these Bye-laws, a cable or telex or facsimile <u>or electronic</u> transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.</p>



Bye-law	Proposed Amendments (showing changes to the Existing Bye-laws)
168.	No Member shall be entitled to require discovery of or any information <del>respecting</del> <u>in respect of</u> any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **eSun Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 571)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of the members (“**Members**”) of eSun Holdings Limited (“**Company**”) will be held at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Friday, 16 December 2022 at 10:00 a.m. (“**2022 AGM**”) for the following purposes:

### **AS ORDINARY BUSINESS**

1. To consider and adopt the audited financial statements of the Company for the year ended 31 July 2022 and the reports of the directors and the independent auditor thereon.
2. To re-elect, each as a separate ordinary resolution, two retiring directors of the Company (“**Directors**”) and to authorise the board of Directors (“**Board**”) to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young, Certified Public Accountants (“**Ernst & Young**”), as the independent auditor of the Company for the ensuing year and to authorise the Board to fix their remuneration.

### **AS SPECIAL BUSINESS**

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

### **ORDINARY RESOLUTIONS**

(A) “**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of the Company (“**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined); or
  - (ii) an issue of Shares upon the exercise of rights of subscription, exchange or conversion under the terms of any of the options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into Shares); or
  - (iii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company (“**Bye-laws**”) from time to time; or
  - (iv) an issue of Shares under any award or option scheme or similar arrangement for the grant or issue to eligible participants under such scheme or arrangement of Shares or rights to acquire Shares,

shall not exceed 20% of the total issued Shares as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company (“**AGM**”); or
- (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Members in a general meeting; or
- (iii) the expiration of the period within which the next AGM is required by law or the Bye-laws to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares whose names appear on the Register of Members and/or the Hong Kong Branch Register of Members on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

- (B) “**THAT** the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back the issued Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, regulations and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) or any other stock exchange (as applicable) as amended from time to time, be and is hereby generally and unconditionally approved subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period;
  - (b) such mandate shall authorise the Directors to procure the Company to buy back the Shares at such prices and on such terms as the Directors may at their absolute discretion determine;
  - (c) the aggregate number of Shares to be bought back by the Company pursuant to this Resolution during the Relevant Period shall not exceed 10% of the total issued Shares as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
  - (d) for the purposes of this Resolution, “Relevant Period” means the period from the date of passing this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next AGM; or
    - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Members in a general meeting; or
    - (iii) the expiration of the period within which the next AGM is required by law or the Bye-laws to be held.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** subject to the passing of the Resolutions Nos. 4(A) and 4(B) in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the addition thereto of such number of Shares which has been bought back by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to buy back such Shares, provided that such number of Shares shall not exceed 10% of the total issued Shares as at the date of passing this Resolution.”
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

(A) “**THAT:**

- (a) subject to and conditional upon (i) the Listing Committee of the Stock Exchange (“**Listing Committee**”) granting the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any options that may be granted under the proposed new share option scheme of the Company (“**New Scheme**”, the rules of which are contained in the document marked “A” produced to the meeting and signed by the chairman of 2022 AGM for the purpose of identification); (ii) the passing of an ordinary resolution by the shareholders of Lai Sun Development Company Limited (“**LSD**”) at its general meeting approving the New Scheme; and (iii) the passing of an ordinary resolution by the shareholders of Lai Sun Garment (International) Limited (“**LSG**”) at its general meeting approving the New Scheme, the New Scheme be and is hereby approved and adopted, and the Directors and the company secretary of the Company (“**Company Secretary**”) 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 Scheme including without limitation to:
- (i) manage and administer the New Scheme under which options will be granted to eligible participants under the New Scheme to subscribe for Shares;
  - (ii) modify and/or amend the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme and the requirements of the Listing Rules;
  - (iii) grant options to subscribe for Shares under the New Scheme and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Scheme and subject to the Listing Rules;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) make application at the appropriate time or times to the Stock Exchange, and any 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 thereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Scheme;
  - (v) consent, if they deem 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 Scheme; and
- (b) subject to paragraph (a) hereinabove, the share option scheme adopted by the Company at its annual general meeting held on 11 December 2015 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the New Scheme.”
- (B) “**THAT** the Service Provider Sublimit (as defined in the New Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all share 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.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT** subject to and conditional upon (i) the Listing Committee granting the approval for the listing of, and permission to deal in, the ordinary shares of HK\$0.10 each in the capital of Media Asia Group Holdings Limited (“**MAGHL**”, an indirect 67.70%–owned subsidiary of the Company) which may fall to be allotted and issued pursuant to the exercise of any options that may be granted under the proposed new share option scheme of MAGHL (“**New MAGHL Scheme**”, a copy of which is tabled at the meeting and marked “B” and signed by the chairman of 2022 AGM for the purpose of identification); (ii) the passing of an ordinary resolution by the shareholders of LSD at its general meeting approving the New MAGHL Scheme; (iii) the passing of an ordinary resolution by the shareholders of LSG at its general meeting approving the New MAGHL Scheme; and (iv) the passing of an ordinary resolution by the shareholders of MAGHL at its general meeting approving the adoption of the New MAGHL Scheme, the adoption of New MAGHL Scheme by MAGHL be and is hereby approved and the Directors and the Company Secretary be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements and to take all actions as may be necessary or expedient in order to give full effect to the New MAGHL Scheme.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider and, if thought fit, pass with or without modifications, the following resolution as a special resolution of the Company:

### SPECIAL RESOLUTION

**“THAT:**

- (a) the new set of bye-laws of the Company (“**New Bye-laws**”, a copy of which is tabled at the meeting and marked “C” and signed by the chairman of 2022 AGM for the purpose of identification) be and are hereby approved and adopted as the new Bye-laws, in substitution for, and to the exclusion of, the existing Bye-laws with immediate effect after the close of this meeting; and
- (b) any Director or the Company Secretary be and is hereby authorised to do all such acts as he/she deems fit to effect the adoption of the New Bye-laws and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in Bermuda and Hong Kong.”

By order of the Board  
**eSun Holdings Limited**  
**Wong Lai Chun**  
Company Secretary

Hong Kong, 17 November 2022

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

*Head Office and Principal Place of Business:*  
11/F., Lai Sun Commercial Centre  
680 Cheung Sha Wan Road  
Kowloon  
Hong Kong

*Notes:*

- (1) A Member entitled to attend and vote at 2022 AGM convened by the above notice (“**Notice**”) or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend 2022 AGM and, on a poll, vote on his/her/its behalf in accordance with the Bye-laws. A proxy need not be a Member. A form of proxy for use at 2022 AGM or its adjournment (as the case may be) is enclosed with the Company’s circular dated 17 November 2022 (“**Circular**”) and is also available on the respective websites of Hong Kong Exchanges and Clearing Limited (“**HKEX**”) and the Company.
- (2) To be valid, a form of proxy, duly signed and completed together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof), must be lodged with Tricor Tengis Limited, the branch share registrar of the Company in Hong Kong (“**Registrar**”), at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding 2022 AGM or any adjournment thereof (as the case may be) and in default, the proxy will not be treated as valid. Completion and return of the form of proxy will not preclude Members from attending and voting in person at 2022 AGM or any adjournment thereof (as the case may be) should they so wish. In that event, the said form(s) of proxy will be deemed to have been revoked.

The contact phone number of the Registrar is (852) 2980 1333.

- (3) To ascertain the entitlements to attend and vote at 2022 AGM, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrar no later than 4:30 p.m. on Monday, 12 December 2022 for registration.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (4) *Where there are joint holders of any Shares, any one of such joint holders may vote at 2022 AGM or any adjournment thereof (as the case may be), either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at 2022 AGM or any adjournment thereof (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Hong Kong Branch Register of Members in respect of the joint holding.*
- (5) *In regard of Resolution No. 2 of the Notice,*
- (i) *in accordance with Bye-law 87 of the Bye-laws, Mr. Lui Siu Tsuen, Richard (an Executive Director) and Madam U Po Chu (a Non-executive Director) (collectively, “Retiring Directors”) will retire from office as Directors by rotation at 2022 AGM and, being eligible, offer themselves for re-election; and*
- (ii) *in accordance with Rule 13.74 of the Listing Rules, the requisite details of the Retiring Directors are set out in Appendix II to the Circular.*
- (6) *In regard of Resolution No. 3 of the Notice, the Board (which concurs with the Audit Committee of the Company) has recommended that subject to the approval of Members at 2022 AGM, Ernst & Young will be re-appointed the independent auditor of the Company for the year ending 31 July 2023 (“Year 2023”). Members should note that in practice, independent auditor’s remuneration for the Year 2023 cannot be fixed at 2022 AGM because such remuneration varies by reference to the scope and extent of audit and other works which the independent auditor is being called upon to undertake in any given year. To enable the Company to determine the amount of such independent auditor’s remuneration charged as operating expenses for the Year 2023, Members’ approval to delegate the authority to the Board to fix the independent auditor’s remuneration for the Year 2023 is required, and is hereby sought, at 2022 AGM.*
- (7) *Details regarding Resolution No. 4 of the Notice are set out in the Circular.*
- (8) *With reference to Resolution No. 5 above, the principal terms of the proposed New Scheme are set out in Appendix III to the Circular.*
- (9) *With reference to Resolution No. 6 above, the principal terms of the proposed New MAGHL Scheme are set out in Appendix IV to the Circular.*
- (10) *With reference to Resolution No. 7 above, the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and Chinese translation, the English version shall prevail. Details of the proposed amendments are set out in Appendix V to the Circular.*
- (11) *In compliance with Rule 13.39(4) of the Listing Rules and the Bye-laws, voting on all resolutions proposed in the Notice and any other resolutions properly put to the vote of 2022 AGM will be decided by way of a poll at 2022 AGM.*
- (12) *If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time after 7:00 a.m. on the date of 2022 AGM, then 2022 AGM will be proposed to be adjourned. Members will be informed of the date, time and venue of the adjourned 2022 AGM by a supplementary notice posted on the respective websites of HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.esun.com](http://www.esun.com).*

*If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 7:00 a.m. on the date of 2022 AGM and where conditions permit, 2022 AGM will be held as scheduled. 2022 AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.*

*Members should decide on their own whether they would attend 2022 AGM under a bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.*



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## NOTICE OF ANNUAL GENERAL MEETING

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- (13) *In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at 2022 AGM or any adjournment thereof (as the case may be) with a view to addressing the risk to attendees of infection, including the following:*
- (i) *all attendees will be required to undergo body temperature check;*
  - (ii) *all attendees will be required to scan the “LeaveHomeSafe” venue QR code at the entrance of the venue of 2022 AGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);*
  - (iii) *any attendees who are subject to health quarantine prescribed by the Government of the Hong Kong Special Administrative Region of the People’s Republic of China will not be admitted to the venue of 2022 AGM;*
  - (iv) *all attendees will be required to wear surgical face masks throughout 2022 AGM;*
  - (v) *each attendee will be assigned a designated seat at the time of registration to ensure social distancing;*
  - (vi) *any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of 2022 AGM; and*
  - (vii) *no refreshments or beverages will be provided, and there will be no corporate gifts.*
- (14) *The Company reminds Members that they should carefully consider the risks of attending 2022 AGM, taking into account their own personal circumstances. The Company would like to remind Members that physical attendance in person at 2022 AGM is not necessary for the purpose of exercising their voting rights and **strongly recommends that Members appoint the chairman of 2022 AGM as their proxy** and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company **strongly encourages Members NOT to attend 2022 AGM in person.***
- (15) *The Company will keep the evolving COVID-19 situation and the associated legal restrictions on public gatherings under constant review and may implement additional measures, which will be announced closer to the date of 2022 AGM.*