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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 or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

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

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This circular will remain on the website of the GEM of the Stock Exchange at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of posting and the Company’s website at <http://www.8082.com.hk>.

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太陽娛樂集團  
SUN ENTERTAINMENT GROUP

### SUN ENTERTAINMENT GROUP LIMITED 太陽娛樂集團有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8082)**

## PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING

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A notice convening the special general meeting (“SGM”) of the Company to be held at 28th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 15 September 2021 at 11:15 a.m. or immediately after the close of the special general meeting of the Company to be held at 11:00 a.m. on the same day on Wednesday, 15 September 2021 at the same venue (whichever is later) is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM (or any adjournment thereof) is enclosed herewith. Whether or not you are able to attend and vote at the SGM (or any adjournment thereof), you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the SGM (i.e. no later than Monday, 13 September 2021 at 11:15 a.m. (Hong Kong time)). The completion and return of the form of proxy will not preclude you from attending and voting at the SGM (or any adjournment thereof) in person should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

#### PRECAUTIONARY MEASURES FOR THE SGM

Please see pages 1 to 2 of this document for measures being taken to try to prevent and control the spread of the Novel Coronavirus at the SGM, including but not limited to:

- compulsory temperature checks and health declarations;
- recommended wearing of surgical face masks; and
- no distribution of corporate gifts and refreshments.

Any person who does not comply with the precautionary measures may be denied entry into the SGM venue. The Company encourages attendees to wear face masks and reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the SGM as an alternative to attending the SGM in person.

*This circular will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting.*

24 August 2021

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## PRECAUTIONARY MEASURES FOR THE SGM

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In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue or be required to leave the SGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the SGM venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong government at [www.chp.gov.hk/en/features/102742.html](http://www.chp.gov.hk/en/features/102742.html)) at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the SGM venue or be required to leave the SGM venue.
- (iii) The Company encourages attendees to wear surgical face masks inside the SGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all Shareholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person.

The proxy form is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at <http://www.8082.com.hk>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

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## **PRECAUTIONARY MEASURES FOR THE SGM**

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If Shareholders choosing not to attend the SGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the secretary of the Company as follows:

Company Secretary

Email: [ir@8082.com.hk](mailto:ir@8082.com.hk)

Tel: +852 2977 8082

Fax: +852 3150 8092

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders at the SGM
“Affiliate”	a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; (b) a subsidiary of holding company of the Company; (c) a subsidiary; (d) a subsidiary of a subsidiary; (e) the controlling shareholder of the Company; (f) a company controlled by the controlling shareholder of the Company; (g) a company controlled by the Company; (h) an associated company of the holding company of the Company; (i) an associated company of the Company; or (j) associated company of controlling shareholder of the Company
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Award Eligible Participant(s)”	any employee, director, officer, consultant or advisor of any member of the Group or any Affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group
“Award Selected Participant(s)”	the Award Eligible Participant(s) selected by the Board for participation in the Share Award Scheme in respect of the award of the Awarded Shares
“Awarded Share(s)”	in respect of an Award Selected Participant, such number of Shares determined by the Board to be granted to Award Selected Participant(s) on an award of Awarded Shares by the Board pursuant to the Share Award Scheme
“Board”	the board of Directors or a duly authorised committee thereof
“business days”	a day on which the Stock Exchange is open for the business of dealing in securities listed thereon

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## DEFINITIONS

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“close associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Company”	Sun Entertainment Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on GEM (stock code: 8082)
“connected person”	has the same meaning ascribed to it under the GEM Listing Rules
“core connected person”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 31 August 2011
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Option Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme
“Group”	the Company and all of its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 August 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM, the principal terms of which are set out in Appendix to this circular
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme

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## DEFINITIONS

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“Offer Date”	the date on which an Offer is made to an Option Eligible Participant
“Option(s)”	any option(s) to be granted to Option Eligible Participant(s) to subscribe for Share(s) under the New Share Option Scheme
“Option Eligible Participant(s)”	any directors, whether executive or non-executive and whether independent or not, of the Group, full time or part time employees of the Group; and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers or distributors of the Group
“Option Holder(s)”	the holder of an Option or Options under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such grantee (to the extent not already exercised)
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under the New Option Scheme and all other share option scheme(s) of the Company
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed adoption of the New Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company



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## DEFINITIONS

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“Share Award Scheme”	the share award scheme adopted by the Board on 6 December 2019, as amended from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

*In case of inconsistency, the English text of this circular shall prevail over its Chinese text.*

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## LETTER FROM THE BOARD

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太陽娛樂集團  
SUN ENTERTAINMENT GROUP

### SUN ENTERTAINMENT GROUP LIMITED

太陽娛樂集團有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8082)**

*Executive Directors:*

Mr. Dong Choi Chi, Alex (*Chairman*)

Mr. Chong Cho Lam (*Chief Executive Officer*)

*Independent non-executive Directors:*

Mr. Chan Wai Man

Mr. Siu Hi Lam, Alick

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11 Bermuda

*Head Office and Principal place of  
business:*

17th Floor, Fun Tower

35 Hung To Road

Kwun Tong

Kowloon

Hong Kong

24 August 2021

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

At the SGM to be held at 28th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 15 September 2021 at 11:15 a.m. or immediately after the close of the special general meeting of the Company to be held at 11:00 a.m. on the same day on Wednesday, 15 September 2021 at the same venue (whichever is later), a resolution will be proposed, among other matters, to adopt the New Share Option Scheme.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information in relation to the resolution to be proposed at the SGM for, among other matters, the adoption of the New Share Option Scheme and to give you the notice of the SGM.

### **ADOPTION OF THE NEW SHARE OPTION SCHEME**

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

The Existing Share Option Scheme, which was adopted by the Company pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting held on 31 August 2011, will expire on the tenth anniversary of its adoption pursuant to its terms. The Existing Share Option Scheme is the only share option scheme currently in force as at the Latest Practicable Date.

The Existing Share Option Scheme was adopted more than nine years ago. Given that there has been a substantial change in the number of issued share capital of the Company during the past nine years, i.e. from 252,882,999 issued Shares as at the date of adoption of the Existing Share Option Scheme to 1,250,798,007 issued Shares as at the Latest Practicable Date, accordingly, approving the New Share Option Scheme to replace the Existing Share Option Scheme will have the effect of refreshing the limit on the total number of Shares which may be issued upon exercise of all Options to be granted to Option Eligible Participants under the New Share Option Scheme which must not exceed 10% of the Shares in issue as at the date of approval.

As the Existing Share Option Scheme will expire on 30 August 2021, and to enable the Company to continue to grant options to Option Eligible Participants as incentives and/or rewards for their contributions to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Option Eligible Participants, as well as the intention of refreshing of the 10% scheme mandate limit, the Board proposes to recommend to the Shareholders at the SGM to adopt the New Share Option Scheme.

Except that no further options may be granted under the Existing Share Option Scheme consequent upon its expiry, all the other provisions of the Existing Share Option Scheme will remain in force so as to give effect to the exercise of all outstanding options granted under the Existing Share Option Scheme prior to its expiry and all such options will remain valid and exercisable in accordance with the provisions of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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The maximum number of Shares in respect of which options may be granted under the Existing Share Option Scheme, subject to further refreshment of the limit on the grant of options by Shareholders, was 10% of the then issued Shares (i.e. 25,297,299 Shares) as at 31 August 2011, being the date of then Shareholders' approval of the Existing Share Option Scheme. The 10% general limit under the Existing Share Option Scheme was subsequently renewed by the Shareholders on 26 June 2012, 15 June 2015, 21 June 2018 and 21 June 2019, respectively. Under the refreshed limit, the Company may grant options to eligible participants to subscribe for a maximum of 121,779,800 Shares.

Following the grant of an aggregate of 100,500,000 options under the Existing Share Option Scheme on 12 April 2021 (as disclosed in the announcement of the Company dated 12 April 2021), 1,500,000 options had lapsed in May 2021. As at the Latest Practicable Date, a total of 115,300,000 options remained outstanding and yet to be exercised under the Existing Share Option Scheme (representing approximately 9.22% of the issued share capital of the Company), which will remain valid and exercisable with their respective terms of issue. The below table sets out the details of the 115,300,000 outstanding share options granted under the Existing Share Option Scheme as at the Latest Practicable Date:

<b>Category of participants</b>	<b>Number of aggregate options outstanding and exercisable as at the Latest Practicable Date</b>	<b>Status of the options as at Latest Practicable Date</b>	<b>Nature and reasons for the grant to non-directors/ employees and their contributions made to the Company</b>
Directors	9,000,000	9,000,000 options are outstanding and exercisable No options had been lapsed or cancelled*	–
Employees	14,500,000	14,500,000 options are outstanding and exercisable No options had been lapsed or cancelled*	–

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## LETTER FROM THE BOARD

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Category of participants	Number of aggregate options outstanding and exercisable as at the Latest Practicable Date	Status of the options as at Latest Practicable Date	Nature and reasons for the grant to non-directors/ employees and their contributions made to the Company
Consultants	91,800,000	91,800,000 options are outstanding and exercisable 1,500,000 options had lapsed No options had been cancelled*	Recognize the contributions of the consultants who provided consultancy or advisory services/business or investment opportunities/administrative support to the Group's entertainment business or events, NFT business and market, film projects, intellectual properties, or pet funeral business; or provided operational support for the Group including human resources or IT services; or engaged in the development of the Group's integrated entertainment platform; or acting as project manager/ business partner in certain business projects or events of the Group

*Note:* All the options granted by the Company under the Existing Share Option Scheme which were outstanding before the conditional voluntary general offer for all issued shares of the Company in 2018 (the “**First Offer**”) were lapsed upon expiry and cancelled upon the close of the First Offer on 19 March 2018. All the options granted by the Company after the First Offer and before the conditional voluntary general offer for all issued shares of the Company in 2019 (the “**Second Offer**”) were cancelled upon the close of the Second Offer on 12 June 2019. The cancellation of options referred to in the above table relates to options granted by the Company after the Second Offer, and no such options had been cancelled.

The Company has no intention to grant further options under the Existing Share Option Scheme from the Latest Practicable Date to the date of the SGM.

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## LETTER FROM THE BOARD

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### **Adoption of New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentives and/or rewards to Option Eligible Participants for their contributions to the growth of the Group and continuing efforts to promote the interests of the Group, and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Option Eligible Participants. In determining whether a person has contributed or will contribute to the Group, the Group will take into account, among other things, whether contribution has been made to or will be made to the Group in terms of operation, financial performance, prospects, growth, reputation and image of the Group.

The Directors will assess the Option Eligible Participants, particularly the employees and directors of the Group, based on their individual performance, time commitment (including the years of service and working hours), responsibilities, work experience, professional qualifications, knowledge in the industry or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future.

In addition, the Directors believe that the grant of Options to the Option Eligible Participants other than employees and directors of the Group is necessary and appropriate. The success of the Group does not only depend on the contributions by the employees and directors of the Group, but also requires the co-operations and contributions from parties who play a part in the development of the business and operations of the Group, including business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers or distributors of the Group.

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## LETTER FROM THE BOARD

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The Board considers that it is necessary to ensure the scope of participants under the New Share Option Scheme is wide enough to cover those individuals and entities which are not the directors or employees of the Group but able to contribute to the Group. The Directors believe that there is a need to maintain and develop business relationships with these stakeholders. The grant of Options to these Option Eligible Participants will offer incentives for the business or joint venture partners and agents to provide valuable business referrals and partnership introduction as well as refer or introduce business opportunities and/or partners to the Group; for the consultants and advisers to provide more valuable recommendations and/or advice to the Group in matters including but not limited to investors' management, business research and development, technological support and professional services; and to maintain good and stable business relationship with the contractors, suppliers, producers or licensors, customers or distributors, and for them to provide better or more economic services or supplies as well as quality professional advice and expertise and other market or industry resources to the Group and increase loyalty to the Group, which may be commercially beneficial to the Group, so as to maintain the competitiveness of the Group as a whole. It is therefore desirable for the Company to motivate and align the interests of these parties towards the Group. The grant of Options to these parties is an appropriate means of achieving the Group's goal. The Options will offer incentives for these external parties to provide continuing efforts as mentioned above to promote the interests of the Group and benefits the long-term growth of the Group.

In respect of these external parties, their eligibility will be determined by the Board based on their potential and/or actual contribution to the operation and business of the Group and/or their potential and/or actual participation and involvement in promoting the business of 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 these external parties as well as the number, scale and nature of the projects and the period of their engagement and/or business relationship with the Group.

Given that the Directors are entitled to determine the eligibility of the Option Eligible Participants, such as performance conditions, or targets to be achieved (in case of employees or directors of the Group) as mentioned above, and the potential and/or actual contribution to the business affairs of and benefits to the Group (in case of the Option Eligible Participants other than employees and directors of the Group), as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that Grantees will make an effort to contribute to the development of the Group and promote interests of the Group so as to bring about an increased market price of the Shares in order to obtain financial rewards when the market price of the Shares exceeds the exercise price of the Options granted, and in turn benefiting the Company and the Shareholders as a whole, thus the purposes of the New Share Option Scheme would be achieved.

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## LETTER FROM THE BOARD

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The Directors consider that equity compensation, including provision of long-term share-based incentives to participants, is common among public companies. It is also in line with modern commercial practice for public companies to adopt parallel share-based incentive schemes to offer them with discretion to link the value of the companies with the interests of the participants thereunder, enabling the participants and the companies to develop together and promote the corporate culture of the companies. The New Share Option Scheme will be used in parallel with the Share Award Scheme adopted on 6 December 2019 and other share-based incentives which may be adopted by the Company from time to time. The Board has the sole discretion to choose between the Share Award Scheme and the New Share Option Scheme when the Board considers it to be appropriate to grant share-based incentives to individuals who have/would contribute to the development and growth of the Group.

The granting of Awarded Shares to the Award Selected Participants under the Share Award Scheme, being any employee, director, officer, consultant or advisor of any member of the Group or any Affiliate, after assessing the performance of the Award Selected Participants and considering the contribution made or will be made to the Group by the Award Selected Participants, forms a part of the total compensation package of the Award Selected Participants. The purposes of the Share Award Scheme are to recognise and reward the contribution of the Award Selected Participants to the growth and development of the Group, to give incentives to the Award Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company considers that by granting Awarded Shares to the Award Selected Participants, the interests of the Award Selected Participants can be aligned directly with the performance of the Group and interests of the Shareholders through ownership of the Shares. The Company believes that the Share Award Scheme will enable the Group to attract, retain and motivate talents for the continual support to the Group thereby promote long-term growth and profits of the Group and create more value for the Group in the future.

On the other hand, the scope of Option Eligible Participants is wider than Award Eligible Participants. The Board believes that the parallel share-based incentive schemes will provide it with greater flexibility under the particular circumstances of each grant and facilitate the purposes of the New Share Option Scheme and the Share Award Scheme, allowing the Company to reward parties as the Company considers commercially appropriate and beneficial to the Group and offer meaningful incentives to the participants to contribute to the business performance of the Group.

Based on the above, the Board considers that the adoption of the New Share Option Scheme and the arrangement of adoption of the parallel share-based incentive schemes are fair and reasonable and in the interests of the Company and the Shareholders as a whole. For more details of the Share Award Scheme adopted with effect from 6 December 2019, please also refer to the announcement of the Company dated 6 December 2019.



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## LETTER FROM THE BOARD

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A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. A copy of the New Share Option Scheme is available for inspection at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date of this circular up to and until the date of the SGM.

### *Comparison with the terms of the Existing Share Option Scheme*

The New Share Option Scheme is largely in line with the form of the Existing Share Option Scheme. There are certain differences between the principal terms of the Existing Share Option Scheme and the New Share Option Scheme, including but not limited to, the following:

- (1) the scope of the Option Eligible Participants under the New Share Option Scheme is wider than the participants under the Existing Share Option Scheme, which also include producers, licensors or distributors of the Group under the New Share Option Scheme;
- (2) under the Existing Share Option Scheme, in the event a grantee of share option ceases to be an employee or director of the Group (save for cessation by reason of termination of employment or directorship on grounds including being guilty of misconduct, or he/she has become bankrupt or insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence or any other ground(s) on which the Group would be entitled to terminate such grantee's employment or directorship pursuant to any applicable law), any granted option but not exercised shall lapse after the date of ceasing to be an employee and director of the Group; whereas in such circumstance under the New Share Option Scheme, the granted Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable; and
- (3) the New Share Option Scheme also provides for the rights of the Grantee (a) on cessation to be an Option Eligible Participant (in the case of an employee or director of the Group) by reason of ill-health or retirement as an employee (as set out in paragraph (13) in the Appendix of this circular); and (b) on breach of contract entered into between an Option Eligible Participant (in the case of a business or joint venture partner, contractor, agent or representative, consultant, adviser, supplier, producer or licensor, customer or distributor of the Group) and the Group or termination of his/her/its engagement or appointment etc (as set out in paragraph (14) in the Appendix of this circular); whereas the Existing Share Option Scheme has no such provisions.

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## LETTER FROM THE BOARD

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

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

1. the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and
2. the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the SGM.

Under the New Share Option Scheme, the Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Option, the New Share Option Scheme does not stipulate a minimum period for which an Option must be held, or any performance targets a Grantee is required to achieve before an Option may be exercised or subscription price for such Option. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

The Board currently does not have a concrete plan to grant any Options to any of the Option Eligible Participants in the coming 12 months upon the adoption of the New Share Option Scheme. The Board will from time to time consider whether to grant any Options to the Option Eligible Participants based on a number of factors including, *inter alia*, the Group's overall financial performance, the Option Eligible Participants' individual performance and their contribution to the revenue, profits or business development of the Group.

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## LETTER FROM THE BOARD

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

The aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any new share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of adoption of the New Share Option Scheme or any new share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded. As at the Latest Practicable Date, the number of issued shares of the Company is 1,250,798,007 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme would be 125,079,800 Shares. The aggregate of the outstanding 115,300,000 share options under the Existing Share Option Scheme and the number of 125,079,800 Options under the New Share Option Scheme represents approximately 19.26% of the issued share capital of the Company as at the Latest Practicable Date, which is below the 30% limit as abovementioned.

None of the Directors is and will be trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme and accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the New Share Option Scheme at the SGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 23 of the GEM Listing Rules in respect of the operation of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### *Value of Option*

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised, the discretion of the Board to impose any performance target that has to be achieved before the subscription right attaching to the Options can be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the Option Holders. Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

### *Application for Listing*

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

### **SGM**

The notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular. The SGM will be convened at 28th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 15 September 2021 at 11:15 a.m. or immediately after the close of the special general meeting of the Company to be held at 11:00 a.m. on the same day on Wednesday, 15 September 2021 at the same venue (whichever is later) for the purpose of, considering and, if thought fit, approving the adoption of the New Share Option Scheme.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required under the GEM Listing Rules to abstain from voting on any resolutions to be proposed at the SGM as set out in the notice of the SGM.

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## LETTER FROM THE BOARD

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A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hand. Therefore, all proposed resolutions put to the vote at the SGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### RECOMMENDATION

The Directors believe that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept responsibility, includes particulars given in compliance with the GEM 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.

### GENERAL

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he or she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

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

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## LETTER FROM THE BOARD

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### Miscellaneous

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

Yours faithfully,  
On behalf of the Board  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

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

## **1. PURPOSE**

The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Option Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

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

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

## **3. GRANT AND ACCEPTANCE OF OPTIONS**

Subject to the terms of the New Share Option Scheme, the Board may, in its absolute discretion, invite any Option Eligible Participant to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (4) below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

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

A nominal consideration of HK\$1.00 is payable by the Grantee upon acceptance of the grant of Option. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Option Eligible Participant together with the said consideration of HK\$1.00 is received by the Company.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in such number of Shares as represents a board lot for the time being for the purpose of trading on the Stock Exchange or an integral multiple thereof.

#### **4. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES**

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her personal representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his personal representative(s)) a share certificate for the Shares so allotted.

Option Holders are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme or under the relevant laws or the memorandum of association of the Company and the Articles in effect from time to time.

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



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

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

Where a relevant Option is to be granted under paragraph (6) or (7), for the purposes of the above (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions as set above shall apply mutatis mutandis.

#### **5. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE**

- (a) Subject to the GEM Listing Rules, the overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.
- (b) Subject to the limit mentioned in (5)(a) above, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (c) and (d) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

- (c) Subject to the limit mentioned in (5)(a) above, the Company may seek approval by the Shareholders in general meeting to refresh the Scheme Mandate Limit under the New Share Option Scheme, provided that the Scheme Mandate Limit as refreshed must not exceed 10% of the total number of Shares in issue as at the date of passing the relevant resolution. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company in force (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Options) will not be counted for the purpose of calculating this limit. The Company must send a circular to the Shareholders containing such information as required under the GEM Listing Rules.
- (d) Subject to the limit mentioned in (5)(a) above, the Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Option Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Option Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Option Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the GEM Listing Rules.

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

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

Where Options are proposed to be granted to a substantial Shareholder (as defined in the GEM Listing Rules) of the Company or an independent non-executive Director or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) in any twelve (12) month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued Shares and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) the number and terms of the Options to be granted; (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) to the independent shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

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

#### **7. MAXIMUM ENTITLEMENT OF EACH OPTION ELIGIBLE PARTICIPANT**

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the Options granted to each Option Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an Option Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Option Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Option Eligible Participant and his close associates (or his associates if the Option Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Option Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Option Eligible Participant), and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Option Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

#### **8. TIME OF EXERCISE OF OPTIONS**

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

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme.

#### **9. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

Grant of Options may not be made:

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

and ending on the date of the results announcements.

#### **10. RIGHTS ARE PERSONAL TO GRANTEES**

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

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

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

**12. RIGHTS ON DEATH**

If the Grantee of an Option ceases to be an Option Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph (11) above as ground for termination of his or her employment or directorship arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of twelve months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs (16) to (18) below occurs during such period, his or her personal representative(s) may exercise the Option pursuant to paragraphs (16) to (18) respectively.

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

If the Grantee of an Option is an employee or a director of the Group before exercising the Options in full and ceases to be an Option Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) within a period of six months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs (16) to (18) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (16) to (18) respectively.

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

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Option Eligible Participant for any reason other than the reasons set out in paragraphs (12) and (13) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation.

**15. RIGHTS ON BREACH OF CONTRACT**

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

*Note:* Paragraphs 11, 13 and 14 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

**16. RIGHTS ON A GENERAL OFFER**

In the event of a general or partial offer being made to all Shareholders (or all such holders other than the offeror and/or person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Grantee (or his or her personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within thereafter and up to the close of such offer.

**17. RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its members to convene a special general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each member of the Company give notice thereof to all Grantees and any Grantee or his or her personal representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than five (5) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

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

If a compromise or arrangement between the Company and its members or creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to summon a meeting to consider such a scheme or arrangement and any Grantee or his or her personal representative(s) may by notice in writing to the Company (such notice shall be received by the Company no later than five (5) Business Days prior to the proposed meeting), accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her personal representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof.

**19. CANCELLATION OF OPTIONS**

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and issues new ones to the same holder of the Option, the issue of such new Options may only be made under a scheme with available unissued options (excluding the cancelled Options) within the Scheme Mandate Limit.

**20. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

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

**21. 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 of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

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

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



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

- (a) The provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Option Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (d) Any change to the authority of the Directors or the administrator of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in a general meeting.

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

The New Share Option Scheme is conditional upon:

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

**25. LAPSE OF OPTIONS**

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

- (a) the expiry of the Option Period;
- (b) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (11) to (18);
- (c) the date of the commencement of the winding-up of the Company.

**26. TERMINATION**

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

**27. MISCELLANEOUS**

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 23 of the GEM Listing Rules.

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

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (20) above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

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## NOTICE OF SGM

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太陽娛樂集團  
SUN ENTERTAINMENT GROUP

### SUN ENTERTAINMENT GROUP LIMITED

### 太陽娛樂集團有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8082)**

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “SGM”) of Sun Entertainment Group Limited (the “Company”) will be held at 28th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 15 September 2021 at 11:15 a.m. or immediately after the close of the special general meeting of the Company to be held at 11:00 a.m. on the same day on Wednesday, 15 September 2021 at the same venue (whichever is later) to consider and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

**“THAT:**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares of the Company (the “Share(s)”) falling to be allotted and issued pursuant to the share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) the aggregate number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes of the Company as may from time to time adopted by the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing of this resolution.”

By the Order of the board  
**Sun Entertainment Group Limited**  
**Dong Choi Chi, Alex**  
*Chairman and executive Director*

Hong Kong, 24 August 2021

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## NOTICE OF SGM

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*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head Office and Principal Place of Business:*

17th Floor, Fun Tower  
35 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting.
4. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at any meeting 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 register in respect of the joint holding.
5. An explanatory statement regarding the proposal of granting the general mandate to repurchase the Company's own shares will be despatched to the members of the Company together with this notice.
6. For the purpose of determining shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 9 September 2021 to Wednesday, 15 September 2021 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending at the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 8 September 2021.

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## NOTICE OF SGM

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7. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the SGM, the SGM will be adjourned. The Company will post an announcement on the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.8082.com.hk>) and to notify shareholders of the date, time and place of the adjourned meeting.

The SGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.