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LFG Investment Holdings Limited

LFG 投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3938)

GRANT OF SHARE OPTIONS

This announcement is made by LFG Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that on 23 April 2024 (the “**Date of Grant**”), the Company offered to grant a total of 6,800,000 share options (the “**Share Options**”) to 8 Directors (“**Grantees**”), to subscribe for an aggregate of 6,800,000 shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”, each a “**Share**”) under the terms of the share option scheme conditionally approved by written resolutions and adopted by the Company on 10 September 2019 (the “**Share Option Scheme**”), subject to the acceptance of the Grantees and the payment of HK\$1.00 by the Grantees upon acceptance of the Share Options (the “**Grant**”). The Share Options represent, upon full exercise, approximately 1.68% of the total number of issued Shares as at the date of this announcement.

Details of the Grant are as follows:

Date of Grant:	23 April 2024
Total number of Share Options granted:	6,800,000 Share Options. Each Share Option shall entitle the holder thereof to subscribe for one Share.
Exercise price of the Share Options:	HK\$0.136 per Share, representing the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$0.136 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant;(ii) the average closing price of HK\$0.136 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and(iii) HK\$0.01, being the nominal value of a Share

Closing price of the Shares on the Date of Grant:	HK\$0.136
Exercise period of the Share Options:	The Share Options are valid for 10 years from the Date of Grant unless lapsed pursuant to the terms of the Share Option Scheme and may be exercisable during such period provided that the Share Options are vested.
Vesting period of the Share Options:	(i) no Share Options can be exercised within the first 12 months from the Date of Grant; and (ii) 100% of the Share Options can be exercised at any time after the expiration of 12 months from the Date of Grant.
Financial assistance	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Performance target and clawback mechanism

There is no performance target nor any specific clawback mechanism attached to the Share Options. The remuneration committee of the Company (“**Remuneration Committee**”) have noted that the purpose of the Share Option Scheme is to provide incentive or to reward the Grantees for their contribution to the Group and the Share Option Scheme does not restrictively specify the contribution. The Remuneration Committee have also considered that (a) under the remuneration practice of the Group, the remuneration of the Grantees includes the grant of options to incentivise their performance and to make continuous contributions to the growth and development of the Group; and (b) the Directors’ remuneration package have been reviewed by the Remuneration Committee to be in line with the industry practice and in recognition of their leading role and responsibilities towards the management and strategic development of the Company. The Remuneration Committee, in recommending the Grant, have assessed the Grantees’ contribution to the growth and development to the Group from qualitative and quantitative perspectives, having regard to a wide variety of factors including financial and operational goals from time to time, and peer and industry wide comparison in the prevailing circumstances, and will make any such assessment as and when appropriate. In view of the above, the Remuneration Committee is of the view that the Grant without any performance target is market competitive and aligns with the purpose of the Share Option Scheme.

The Share Options granted are not subject to any clawback mechanism but shall lapse (to the extent not already exercised) on the date when the Grantee(s) ceases to be an eligible participant under the Share Option Scheme.

The Board and the Remuneration Committee consider that a specific clawback mechanism is not necessary, having considered that the lapse of the Share Options upon the Grantee(s) cease to be an eligible participant under the Share Option Scheme, which is in line with the purpose of the Share Option Scheme and in the interests of the Company.

All the 6,800,000 Share Options granted were granted to the Directors, details of which are as follows:

Name of Grantee	Position	Number of Share Options granted
Mr. Mui Ho Cheung Gary	Chairman, Chief Executive Officer and Executive Director	4,000,000
Mr. Liu Chi Wai	Executive Director	400,000
Mr. Ng Siu Hin Stanley	Executive Director	400,000
Ms. Ho Sze Man Kristie	Executive Director	400,000
Mr. Tang Chun Fai Billy	Executive Director	400,000
Ms. Lim Yan Xin Reina	Independent Non-executive Director	400,000
Mr. Poon Lai Yin Michael	Independent Non-executive Director	400,000
Dr. Wong Ho Ki	Independent Non-executive Director	400,000
Total		<u>6,800,000</u>

The grant of Share Options to the above Directors has been approved by the independent non-executive Directors (save in relation to the grant of an independent non-executive Director, by the remaining independent non-executive Directors) in accordance with Rule 17.04(1) of the Listing Rules and the terms of the Share Option Scheme. Each of the above Director had abstained from voting on the resolutions relating to the respective grants to themselves and had not been counted towards the quorum of the Board meeting in respect of such resolutions.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules); (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (as defined in Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares. None of the Grant will be subject to approval by the shareholders of the Company.

Subsequent to the Grant, the number of Shares available for future grant pursuant to the Share Option Scheme is 25,796,296 Shares.

By order of the Board
LFG Investment Holdings Limited
Mui Ho Cheung Gary
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 23 April 2024

As at the date of this announcement, the executive Directors are Mr. Mui Ho Cheung Gary, Mr. Liu Chi Wai, Mr. Ng Siu Hin Stanley, Ms. Ho Sze Man Kristie and Mr. Tang Chun Fai Billy; and the independent non-executive Directors are Ms. Lim Yan Xin Reina, Mr. Poon Lai Yin Michael and Dr. Wong Ho Ki.