

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

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

If you have sold or transferred all your shares in **Feiyu Technology International Company Ltd.** (飛魚科技國際有限公司) (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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



**Feiyu Technology International Company Ltd.**  
**飛魚科技國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1022)**

**PROPOSED TERMINATION OF THE POST-IPO SHARE OPTION  
SCHEME AND PROPOSED ADOPTION OF  
THE 2024 SHARE OPTION SCHEME,  
PROPOSED TERMINATION OF THE RESTRICTED  
SHARE UNITS PLAN II  
AND PROPOSED ADOPTION OF THE 2024 RESTRICTED  
SHARE UNIT SCHEME,  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 8 to 32 of this circular. A notice convening the EGM to be held at Senior Executive Meeting Room, 5/F, Block A, No.78 Hu’an Road, High-tech Park, Huli District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 24 May 2024 at 4:00 p.m. is set out on pages 68 to 71 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.feiyuhk.com](http://www.feiyuhk.com)).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish and in such event, the form of proxy shall be deemed to be revoked.

25 April 2024

<b>CONTENTS</b>
-----------------

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	8
<b>APPENDIX I — SUMMARY OF THE PRINCIPAL RULES OF THE 2024 SHARE OPTION SCHEME</b> .....	33
<b>APPENDIX II — SUMMARY OF THE PRINCIPAL RULES OF THE 2024 RESTRICTED SHARE UNIT SCHEME</b> .....	51
<b>NOTICE OF EGM</b> .....	68

## DEFINITIONS

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

“2024 Restricted Share Unit Scheme”	the restricted share unit scheme proposed to be approved and adopted by the Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix II to this circular;
“2024 Share Option Scheme”	the share option scheme proposed to be approved and adopted by the Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular;
“Administrator”	the entity or individual which/who is appointed by the Company to assist with the administration and vesting of RSUs granted pursuant to the 2024 Restricted Share Unit Scheme;
“Adoption Date”	the date on which the 2024 Share Option Scheme and/or the 2024 Restricted Share Unit Scheme is conditionally adopted by ordinary resolutions of the Shareholders;
“Articles”	the articles of association of the Company (as amended from time to time);
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Auditors”	means the auditors of the Company for the time being;
“Award(s)”	an award of RSUs pursuant to the 2024 Restricted Share Unit Scheme which gives a Selected Participant a conditional right when the Award vests to obtain either Shares or an equivalent value in cash;
“Award Letter”	the letter issued by the Company to each Selected Participant in such form as determined from time to time by the Board or its delegate(s), specifying the date on which the grant of an Award is made to a Selected Participant (being the date of the Award Letter), the number of RSUs, the vesting criteria and conditions, the vesting date and such other details as they may consider necessary;

## DEFINITIONS

“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the Adoption Date;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning ascribed thereto under the Listing Rules;
“close associates”	shall have the meaning ascribed thereto under the Listing Rules;
“Company”	Feiyu Technology International Company Ltd. (飛魚科技國際有限公司) (Stock code: 1022), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	shall have the meaning as defined under the Listing Rules;
“Consultation Conclusions”	consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022;
“controlling shareholder(s)”	shall have the meaning as defined under the Listing Rules;
“core connected person”	shall have the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held at Senior Executive Meeting Room, 5/F, Block A, No.78 Hu’an Road, High-tech Park, Huli District, Xiamen, Fujian Province, the People’s Republic of China on 24 May 2024 at 4:00 p.m. or any adjournment thereof, the notice convening the EGM is set out on pages 68 to 71 of this circular, or any adjournment thereof;

## DEFINITIONS

“EGM Notice”	the notice of EGM set out on pages 68 to 71 of this circular;
“Eligible Participant(s)”	means (a) the Employee Participants; (b) the Related Entity Participants; and (c) the Service Providers; provided that it is not an Excluded Participant;
“Employee Participant(s)”	the directors and employees of the Company or the Group (including persons who are granted Options or Awards under the 2024 Share Option Scheme or the 2024 Restricted Share Unit Scheme respectively as an inducement to enter into employment contracts with the Company or the Group);
“Excluded Participant(s)”	an individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2024 Restricted Share Unit Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual;
“Grant Date”	the date on which the grant of an Award is made to an Eligible Participant, being the date of an Award Letter;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the 2024 Share Option Scheme, or (where the context so permits) any person who is entitled, in accordance with the laws of succession applicable, to exercise any Option to the extent not already exercised in consequence of the death of an original Grantee;
“Group”	the Company and its Subsidiaries from time to time, and the expression member(s) of the Group shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

## DEFINITIONS

“Latest Practicable Date”	17 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Committee”	shall have the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Main Board”	means the stock market operated by the Stock Exchange, which excludes GEM and the options market;
“Offer”	an offer for the grant of an Option made in accordance with the terms of the 2024 Share Option Scheme;
“Offer Date”	means the date of the Offer Document, which date must be a Business Day, on which an Offer is made to an Eligible Participant;
“Offer Document”	the document issued by the Board to the Eligible Participant pursuant to an Option granted under the 2024 Share Option Scheme containing terms and conditions of the Option;
“on-market”	the trading of Shares through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations;
“Option(s)”	option(s) to subscribe for Shares pursuant to the 2024 Share Option Scheme;
“Option Period”	in respect of any Option, such period to be notified by the Board to each Grantee in the Offer Document during which the Grantee may exercise such Option subject to the terms of the grant 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 2024 Share Option Scheme;
“Post-IPO Share Option Scheme”	The share option scheme of the Company adopted by the Company on 17 November 2014;

## DEFINITIONS

“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant(s)”	any director and employee of a Related Entity;
“Related Income”	all cash income derived from the RSUs (i.e. cash dividends declared and paid on the RSUs) excluding any interest earned on such cash income and held on Trust for the benefit of the Selected Participant;
“Remuneration Committee”	the remuneration committee of the Company;
“Restricted Share Units Plan II”	the restricted share unit scheme of the Company adopted by the Company on 28 May 2018;
“Returned Shares”	such RSUs that are not vested and/or are lapsed or forfeited in accordance with the terms of the 2024 Restricted Share Unit Scheme, or such Shares being deemed to be Returned Shares under the rules of the 2024 Restricted Share Unit Scheme;
“Returned Trust Funds”	all cash income derived from the Returned Shares (i.e. cash dividends declared and paid on the Returned Shares) or otherwise derived pursuant to the 2024 Restricted Share Unit Scheme, in either case excluding any interest earned on such cash income and held on Trust for the purpose of the 2024 Restricted Share Unit Scheme;
“RSU(s)”	means restrictive share unit(s);
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under the 2024 Share Option Scheme, Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date;
“Selected Participant”	any Eligible Participant approved for participation in the 2024 Restricted Share Unit Scheme and who has been granted any Award pursuant to the 2024 Restricted Share Unit Scheme;

## DEFINITIONS

“Service Provider(s)”	individuals or entities that provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business, with the aim of promoting the long-term growth of the Group, including contractors, consultants, agents, advisers and suppliers who, in the sole opinion of the Board, have contributed or will contribute to the Group, but excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	the total number of Shares which may be issued upon exercise in respect of all Options to be granted under the 2024 Share Option Scheme, Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers, must not, in aggregate, exceed 1% of the total number of Shares in issue as at the Adoption Date;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	an ordinary share of US\$0.0000001 each in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, subdivision or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such subdivision, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
“Shareholders”	the shareholders of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

## DEFINITIONS

“Subscription Price”	in relation to an Option, the price per Share multiplied by the relevant number of Shares in respect of which a Grantee may subscribe on the exercise of an Option, subject to adjustment pursuant to the provisions of the 2024 Share Option Scheme;
“Subsidiary” or “Subsidiaries”	any subsidiary (as the term is defined in the Listing Rules) of the Company;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-Backs as approved by the Securities and Futures Commission of Hong Kong, as amended, modified or otherwise supplemented from time to time;
“Trust”	the trust constituted by the trust deed to be entered into between the Company and the Administrator, to service the 2024 Restricted Share Unit Scheme; and
“US\$”	the United States dollars, the lawful currency of the time being of the United States of America;
“%”	per cent.



**Feiyu Technology International Company Ltd.**

**飛魚科技國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1022)**

*Executive Directors:*

Mr. Yao Jianjun (*Chairman and Chief Executive Officer*)

Mr. Chen Jianyu

Mr. Bi Lin

Mr. Lin Zhibin

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Ms. Liu Qianli

Mr. Lai Xiaoling

Mr. Cao Xi

*Headquarters in the PRC:*

Block A, Feiyu Tower,

No. 78 Hu'an Road, Huli District

Xiamen, Fujian Province, PRC

*Principal place of business*

*in Hong Kong:*

Unit B, 17/F, United Centre,

95 Queensway,

Admiralty,

Hong Kong

25 April 2024

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSED TERMINATION OF THE POST-IPO SHARE OPTION  
SCHEME AND PROPOSED ADOPTION OF  
THE 2024 SHARE OPTION SCHEME,  
PROPOSED TERMINATION OF THE RESTRICTED  
SHARE UNITS PLAN II  
AND PROPOSED ADOPTION OF THE 2024 RESTRICTED  
SHARE UNIT SCHEME,  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to: (i) provide you with details of the proposed termination of the Post-IPO Share Option Scheme and the proposed adoption of the 2024

## LETTER FROM THE BOARD

Share Option Scheme; (ii) provide you with details of the proposed termination of the Restricted Share Units Plan II and the proposed adoption of the 2024 Restricted Share Unit Scheme; and (iii) give you notice of the EGM.

### **PROPOSED TERMINATION OF THE POST-IPO SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE 2024 SHARE OPTION SCHEME**

The Post-IPO Share Option Scheme was adopted by the Company on 17 November 2014 and is valid and effective for a period of 10 years from the date of adoption. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules have been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Post-IPO Share Option Scheme and adopt the 2024 Share Option Scheme to replace the Post-IPO Share Option Scheme.

As at the Latest Practicable Date, there were 5,800,000 outstanding options granted under the Post-IPO Share Option Scheme. As the Board has no intention of granting any further options under the Post-IPO Share Option Scheme during the period from the Latest Practicable Date and the date of the EGM, 5,800,000 options will remain outstanding after the Post-IPO Share Option Scheme is terminated. 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. As at the Latest Practicable Date, the Company does not have any share scheme other than the Post-IPO Share Option Scheme and the Restricted Share Units Plan II.

According to the terms of the Post-IPO Share Option Scheme, the Company may by an ordinary resolution in general meeting terminate the operation of the Post-IPO Share Option Scheme, and in such event, no further options can be granted under the Post-IPO Share Option Scheme.

Upon termination of the Post-IPO Share Option Scheme, no further options may be granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect in all other respects in respect of any options granted prior thereto but not yet exercised or in respect of which Shares are not yet issued to the grantees at the time of termination. Therefore, the termination of the Post-IPO Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Post-IPO Share Option Scheme and outstanding options granted under the Post-IPO Share Option Scheme shall continue to be subject to the provisions of the Post-IPO Share Option Scheme.

Ordinary resolutions will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve the termination of the Post-IPO Share Option Scheme and the adoption of the 2024 Share Option Scheme. The 2024 Share Option 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 2024 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,749,442,062 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 2024 Share Option Scheme, all Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other share scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 174,944,206 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

### **Conditions precedent of the 2024 Share Option Scheme**

The 2024 Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in the EGM to approve the adoption of the 2024 Share Option 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 2024 Share Option Scheme; and
- (ii) the Listing Committee 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 2024 Share Option 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 2024 Share Option Scheme.

### **Explanation of the terms of the 2024 Share Option Scheme**

A summary of the principal terms of the 2024 Share Option Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the 2024 Share Option Scheme but does not constitute the full terms of the same.

The purpose of the 2024 Share Option Scheme is to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group, and to enable the Group to grant Options to Eligible Participants as incentives or rewards for their contributions to the Group with the view to achieving the principal objectives of (a) recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group; and (b) motivate the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.

## LETTER FROM THE BOARD

### Eligible Participants

Eligible Participants include (i) the Employee Participants, (ii) the Related Entity Participants, and (iii) the Service Providers.

In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant); (c) 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); and (d) 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.

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in the 2024 Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate in the 2024 Share Option Scheme include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

The Directors (including the independent non-executive Directors) believe that, instead of solely relying on the Group's employees, the Related Entity Participants are valuable human resources to the Group as they often engage in projects or other business collaborations in connection with the Group's businesses, which have contributed to the development and growth of the Group's businesses. Therefore, the Board (including the independent non-executive Directors) considers that the inclusion of the Related Entity Participants as participants of the 2024 Share Option Scheme will induce and provide further incentive to the Related Entity Participants to contribute to the growth and success

## LETTER FROM THE BOARD

of the Group, and that the criteria for their selection align with the Company's business needs, the purpose of the 2024 Share Option Scheme, and the long term interests of the Company and the Shareholders.

In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the 2024 Share Option Scheme include: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their 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); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; and (i) the positive impact brought to the Group's business development by the Service Provider.

Service Providers will be further divided into two categories, namely (i) Contractors, consultants, agents and advisors; and (ii) Suppliers. Service Providers under (i) include contractors, consultants, agents and advisers who provide advisory services, consultancy services and agency services to the Group on a continuing or recurring basis in its ordinary and usual course of business which relate to the Group's principal business activities of the operation and development of web games, mobile games, PC games, Console games, HTML5 games and other types of games, in support of the Group's businesses, or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge to the benefit and development of the Group's businesses. For instance, game design consultants possess creative thinking skills and have good understanding of the gaming market. They are familiar with game design principles and are able to conduct data analysis to understand user demand and behavior. Game graphic consultants have good art skills and professional skills in modeling and animation. Game technical consultants are familiar with game engine frameworks, programming languages and development tools, and are able to resolve programming issues and improve game performance. Game distributors assist the Group in marketing and promotion activities with their capabilities in producing promotional marketing materials and their bargaining power in distribution channels. These are certain key examples of the specialised skills and knowledge of the Service Providers that are conducive to the development of the Group's businesses. The Board will take into account the following: (a) the individual performance of the relevant contractor, consultant, agent and/or adviser; (b) their knowledge, experience, and network in the relevant industry; (c) the frequency of collaboration within each contract term and length of their business relationship with the Group; (d) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (e) 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);

## LETTER FROM THE BOARD

(f) the background, credentials and experiences of the relevant contractor, consultant, agent and/or adviser; (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, consultant, agent and/or adviser could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, consultant, agent and/or adviser; and (h) the capability, expertise, technical know-how and/or business connections of the relevant contractor, consultant, agent and/or adviser, and/or the synergy between the relevant contractor, consultant, agent and/or adviser and the Group.

Service Providers under (ii) include suppliers of technical support, game development services, game distribution and game promotion services, who/which support the Group's principal business activities in the industry of web games, mobile games, PC games, Console games and HTML5 games and related ancillary services on a continuing or recurring basis in its ordinary and usual course of business. The Board will take into account the following: (a) the nature, reliability and quality of the services supplied in relation to the Group's businesses; and (b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (c) the frequency of collaboration within each contract term and length of business relationship with the Group; (d) 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); (e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

The Directors (including the independent non-executive Directors) are of the view that the categories of the Service Providers are in line with the business needs of the Group and that the criteria for their selection align with the purpose of the 2024 Share Option Scheme. Apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees (including the Service Providers) who have contributed to the Group or may contribute to the Group. Grant of Options to the Service Providers would not only align the interest of the Group with such Eligible Participants, but also strengthen their loyalty to the Group and provide incentives

## LETTER FROM THE BOARD

for (i) a higher degree of their participation and involvement in the business of the Group; and (ii) maintaining a stable and long term relationship with the Group. Through the grant of Options, the interest of such Eligible Participants will align with that of the Group in promoting the growth and development of the Group's business, which is desirable and necessary from a commercial perspective and helps maintain or enhance the competitiveness of the Group.

In respect of the Service Providers, the Group has, in its ordinary and usually course of business, always relied on the services of the Service Providers (including but not limited to suppliers, contractors, consultants, agents and advisors). For example, the Group consistently cooperates with contractors and suppliers to carry out various web and mobile games projects. It is believed that the Group's success is attributable to the high quality of services provided by such individuals and entities even though they may not always be able to serve as full-time or part-time employees of the Group due to a variety of reasons. The Company appreciates the participation and contributions made by our business partners and would like to give them share-based incentives as and when appropriate so as to, among other things, motivate them to achieve higher performance target, provide higher quality of services, which will in turn further increase the Group's revenue. Moreover, the Group considers that grant of Options can help to attract and retain more of such business partners and motivate them to make further contributions to the Group's business, including but not limited to the development of games, promotion of games and technical support. Such contributions from the higher degree of their collaborations with the Group, as encouraged by the grant of Options, would enhance the corporate and brand image of the Group.

The Directors (including the independent non-executive Directors) believe that, despite that the Company not having previously granted any share options or awarded shares to its Related Entity Participants and Service Providers, for the reasons detailed in paragraphs (i) to (iii) below, it would be in the Company's interest to have the flexibility to grant Options to the Related Entity Participants and the Service Providers in recognition of their contribution to the Company where warranted. Given that nature of the businesses of the Group has reliance on the Service Providers and the Related Entity Participants over past years, the Directors consider that the inclusion of each of the Related Entity Participants and the proposed categories of the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective, provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward their contribution and will help maintaining or enhancing the competitiveness of the Group. The Directors have given consideration to the criteria for determining the eligibility of a particular Related Entity Participant and a particular Service Provider as set out in paragraphs 3.4 and 3.5 to Appendix I respectively, which include qualitative and quantitative factors based on the type of the Related Entity Participant and the Service Provider and allow a variety of aspects of the relationship and contributions/potential contributions of the Related Entity Participant and the Service Provider to be taken into account. The Directors will also impose appropriate vesting requirements and performance targets in any grant in such manner so as to align the interest of the Related Entity Participant and the Service Provider with that of the Group and to achieve the purpose of the 2024 Share Option Scheme. The Directors (including the independent

## LETTER FROM THE BOARD

non-executive Directors) are of the view that the inclusion of the Related Entity Participants and the Service Providers as Eligible Participants, the criteria for selection of the Eligible Participants, and the terms of the grants fair and reasonable and align with the purpose of the 2024 Share Option Scheme, based on the following reasons:

- (i) For the Related Entity Participants, despite not being directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), the Company acknowledges they have close corporate and collaborative relationships with the Group, and involvement in joint work projects closely connected with the Group's business. The Related Entity Participants, such as senior management of our fellow subsidiaries and associated companies, have extensive connections in the market and have been providing support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategy and sharing their knowledge and expertise of operation and development of web and mobile games. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development. Therefore, to recognise their contribution, the Company wishes to incentivise them by including them as Eligible Participants and granting the Options to them based on their performance, thereby further strengthening collaboration and ties with the Group. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2024 Share Option Scheme.
- (ii) For the Service Providers, despite the Service Providers will receive service fees in cash from the Group, it is essential to allow flexibility to provide equity-based payment as part of its payment options when appropriate, in order to align its interests and maintain business relationships with certain Service Providers given the unique challenges posed by the Group's business, including but not limited to, (i) the difficulty in finding and engaging experienced, qualified Service Providers such as contractors, suppliers, consultants, agents and advisers, (ii) the length of time required to carry out and complete a single project, and (iii) the potential detrimental impact on the business that may arise due to a change of Service Provider(s) during the course of a project. In light of these challenges, the Board believes that it is in the Group's best interest to allow flexibility to pay service fees in a combination of cash and Options or grant Options as incentives to the Service Providers when deemed appropriate. Providing equity-based payment to the Service Providers can also help to incentivise performance and contribution, which is desirable and necessary to sustain and foster these business relationships on a long-term basis and is therefore in line with the purpose of the 2024 Share Option Scheme. The flexibility to grant Options to the Service Providers in addition to cash-based incentives will allow the Company to keep its payment options and package competitive in order to foster and maintain business relationships. As such contributions are important to the

## LETTER FROM THE BOARD

long-term growth and profitability of the Group, motivating the Service Providers whose contributions are, will or expected to be beneficial to the Group by way of inclusion of equity-based payment as part of the payment options would be in the interest of the Company and shareholders as a whole and in line with the purpose of the 2024 Share Option Scheme.

- (iii) The Group has collaborated with Service Providers for the operation, promotion and development of web games, mobile games, PC games, Console games and HTML5 games, and other services that related to or ancillary to the principal business of the Group. Furthermore, in view of the rapid change in market situation, the Group may require professional services to be provided by the Service Providers on a continuing or recurring basis to cope with its demand for initiatives, projects and focuses and to support its expansion plans from time to time. In such case, the Board will determine whether the Service Providers providing professional services are eligible to participate in the 2024 Share Option 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 principal business segments and focuses from time to time. Such Service Providers 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 be seasoned people in their own fields and professionals with extensive 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 or be engaged on contract basis which is in line with industry norm, and the Company may need to outsource such functions and procure services from suppliers, or is unable to turn to internal resources for these kind of specialised support due to various restraints. A sustainable and collaborative working relationship with these Service Providers is vital for the smooth and efficient business operation and the long-term development of the Group.

Recognising the contribution of the Related Entity Participants and the Service Providers as mentioned above may enhance their performance and further contribution to the Company which are essential to the sustainable and successful development of the Company. The adoption of the 2024 Share Option Scheme confers several advantages:

- (i) aligning the interests of the Related Entity Participants and the Services Providers and the Group by providing them the opportunity to partake in the Group's future prospects and benefit from additional rewards through their sustained and long-term contributions, as the success of the Group will directly impact the value of the Options granted to such Related Entity Participants and Service Providers;
- (ii) incentivising the Related Entity Participants and the Service Providers to provide high-quality services to the Group by linking their rewards to the Group's success, thereby encouraging optimal performance and efficiency;

## LETTER FROM THE BOARD

- (iii) enhancing loyalty and foster long-term stable cooperation between the Group and the Related Entity Participants and the Service Providers; and
- (iv) facilitating the Group's capacity to allocate its financial resources more efficiently, for instance, by preserving cash for other parts of the Group's business operations or investments while continuing to provide competitive incentives to attract and retain high-calibre Service Providers.

For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, merger or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectively.

### **Maximum number of Shares subject to the 2024 Share Option Scheme**

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any other share schemes of the Company, which shall not exceed 10% of the total number of Shares in issue on the Adoption Date. The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the 2024 Share Option Scheme and any other share schemes of the Company, which shall not exceed 1% of the total number of Shares in issue on the Adoption Date.

As at the Latest Practicable Date, there were 1,749,442,062 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Mandate Limit and the Service Provider Sublimit will be 174,944,206 and 17,494,420 Shares, respectively.

The Service Provider Sublimit was determined after considering the potential dilution effect arising from grants of Options to the Service Providers, the importance of striking a balance between achieving the purpose of the 2024 Share Option Scheme and protecting Shareholders from the dilution 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 business, and the relevance and significance of the Service Providers to the main business of the Group. While the Board does not have any plan to grant any Options to any Service Providers as at the Latest Practicable Date, the Directors (including all the independent non-executive Directors) are of the view that such Service Provider Sublimit is appropriate and reasonable given the Company's business needs and the minimal potential dilution to the shareholding of public Shareholders following the exercise of the Options to be granted to Service Providers under the Service Provider Sublimit of approximately 1.0% based on the number of issued Shares as at the Latest Practicable Date, considering the fact that there is no other schemes involving the grant of share option or RSUs to Service Providers apart from the 2024 Restricted Share Unit Scheme, and such sublimit provides the Group with flexibility to provide equity incentives

## LETTER FROM THE BOARD

(instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the 2024 Share Option Scheme.

The Group is principally engaged in the business of web games, mobile games, PC games, Console games and HTML5 games in the PRC. During the ordinary and usual course of business of the Group, the Group will from time to time require services from the Service Providers for its main business, including but not limited to (i) agents, consultants and advisors who provide advisory services, consultancy services and agency services to the Group; and (ii) suppliers of technical support, game development services and game distribution and game promotion services to the Group and contractors who support the Group's principal business activities in the industry of web games, mobile games, PC games, Console games, HTML5 games and other types of games. All of such services are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields and they contribute to a substantial part of development and growth of the Group which would be taken into consideration when the Board considers a grant of Options. It is expected that the Group's continued success will benefit from the different expertise that the Service Providers could provide to the Group. As such, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable considering the nature of the industry and the Group's business needs, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the 2024 Share Option Scheme.

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

Save as determined by the Board and provided in the Offer Document, the 2024 Share Option Scheme does not stipulate any performance target that the Grantee is required to achieve before the relevant Option can be exercised. However, the 2024 Share Option Scheme gives the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when one of the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such condition are appropriate in light of the particular circumstances of each grant.

As for clawback mechanism, upon the occurrence of the events including the Grantee being involved in serious misconduct, a material misstatement in the Company's financial statements, or any other clawback event implicitly or explicitly characterised in the Offer Document occurs, the Board may clawback such number of Options (to the extent not being exercise) granted or extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not

## LETTER FROM THE BOARD

being exercised) to such longer period. The Options that are clawed back shall be regarded as cancelled accordingly. The Board is of the view that with such clawback mechanism in place, the Company would be able to claw back the equity incentives granted to the Grantee culpable of misconduct, which is in line with the purpose of the 2024 Share Option Scheme and the interest of the Shareholders in general. The directors believe that the 2024 Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long-term growth and development of the Group.

### **Vesting period**

The vesting period for an Option shall not be less than 12 months, save where the Board or (where the arrangements relate to grants of Options to the Directors and senior management of the Company) Remuneration Committee determines a shorter vesting period under the circumstances more particularly described in Appendix I to this circular. Such circumstances may (i) provide flexibility to grant Options as part of competitive terms to induce valuable talents to join the Group (paragraphs 5.2(a) of Appendix I); (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons (paragraphs 5.2(b) and (d) of Appendix I); (iii) reward exceptional performers with accelerated vesting (paragraphs 5.2(e) and (f) of Appendix I); and (iv) to motivate exceptional performers based on performance metrics rather than time (paragraph 5.2(c) of Appendix I). For the avoidance of doubt, such shorter vesting period is only applicable to the Options granted to the Employee Participants. As there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Grantees, to ensure the practicability in fully attaining the purpose of the 2024 Share Option Scheme, there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified and the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to the 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. In addition, in the events set out in Paragraphs 16 to 19 of Appendix I, such as death of the Employee Participant or general offer, compromise or scheme of arrangement, or winding up of the Company, the Board considers that under such specific circumstances it is appropriate and reasonable to allow a vesting period of shorter than twelve (12) months. Despite the fact that the Employee Participant may no longer contribute to the Group under such specific circumstances, the purpose of the 2024 Share Option Scheme is not only to recognize and acknowledge the potential future contribution that the Eligible Participants may make to the Group but also past contributions that they have already made to the Group. The Board and the Remuneration Committee believe that it is appropriate and reasonable to allow a shorter vesting period in the occurrence of an out-of-control event, considering that the Options are rewards for the Employee Participant's past contribution to the Group as recognised and acknowledged at the time of grant, and hence the Employee Participant should not be precluded from exercising such rewards in the occurrence of a future event beyond his/her control. Further, having the flexibility of a shorter vesting period for the

## LETTER FROM THE BOARD

Employee Participants under the above circumstances, the Group will be in a better position to attract and retain Employee Participants to continue serving the Group as they can rest assured that their Options may still be exercisable even in the occurrence of an out-of-control event, which aligns with the purpose of the 2024 Share Option Scheme, that is, among other things, to provide incentives to the Eligible Participants in order to achieve the principal objectives of recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group. The Board and the Remuneration Committee are of the view that such arrangements are appropriate because they are in line with the requirements under the Listing Rules and market practice, and give the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, which is in line with the purpose of the 2024 Share Option Scheme.

### **Basis of determination of the Subscription Price**

The Board will also determine the Subscription Price in respect of any Option pursuant to the terms of the 2024 Share Option Scheme, which shall be at least the highest of: (i) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date; (ii) the average closing price per Share as stated in the Stock Exchange's daily quotations sheet for the five (5) Business Days immediately preceding the Offer Date; or (iii) the nominal value of a Share. 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.

Based on the above, the Board considers that the adoption of the 2024 Share Option Scheme is in the interests of the Company and the Shareholders as a whole and would enable the purpose of the 2024 Share Option Scheme to be achieved.

A summary of the principal terms of the 2024 Share Option Scheme is set out in Appendix I to this circular.

The 2024 Share Option Scheme does not have a trustee and hence none of the Directors is and will be a trustee of the 2024 Share Option Scheme.

The Board has no present intention to grant any Options to any of the Eligible Participants under the 2024 Share Option Scheme after its adoption.

### **Document on display**

A copy of the rules of the 2024 Share Option Scheme will be published on the respective websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.feiyuhk.com](http://www.feiyuhk.com) for display for a period of not less than fourteen (14) days before the date of the EGM and the rules of the 2024 Shares Option Scheme will be made available for inspection at the EGM.

## LETTER FROM THE BOARD

### **PROPOSED TERMINATION OF THE RESTRICTED SHARE UNITS PLAN II AND PROPOSED ADOPTION OF THE 2024 RESTRICTED SHARE UNIT SCHEME**

The Restricted Share Units Plan II was adopted by the Company on 28 May 2018 and is valid and effective for a period of 10 years from the date of adoption. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules have been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Restricted Share Units Plan II and adopt the 2024 Restricted Share Unit Scheme to replace the Restricted Share Units Plan II.

As at the Latest Practicable Date, there were no outstanding awards granted under the Restricted Share Units Plan II. As the Board has no intention of granting any further awards under the Restricted Share Units Plan II during the period from the Latest Practicable Date and the date of the EGM, no RSU will remain outstanding after the Restricted Share Units Plan II is terminated. Save for the 5,800,000 outstanding options under the Post-IPO Share Option Scheme, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares as at the Latest Practicable Date. As at the Latest Practicable Date, the Company does not have any share scheme other than the Restricted Share Units Plan II and the Post-IPO Share Option Scheme.

According to the terms of the Restricted Share Units Plan II, the Company may by an ordinary resolution in general meeting terminate the operation of the Restricted Share Units Plan II, and in such event, no further awards can be granted under the Restricted Share Units Plan II.

Upon termination of the Restricted Share Units Plan II, no further awards may be granted but in all other respects, the provisions of the Restricted Share Units Plan II shall remain in full force and effect in respect of the RSUs which are granted during the life of this Plan and which remain unvested immediately prior to the termination of operation of this Plan. Therefore, the termination of the Restricted Share Units Plan II will not in any event affect the terms of the grant of any outstanding awards that have already been granted under the Restricted Share Units Plan II and any outstanding awards granted under the Restricted Share Units Plan II shall continue to be subject to the provisions of the Restricted Share Units Plan II.

At the EGM, ordinary resolutions will be proposed for the Shareholders to consider, and if thought fit, to approve the termination of the Restricted Share Units Plan II and the adoption of the 2024 Restricted Share Unit Scheme. The 2024 Restricted Share Unit 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 2024 Restricted Share Unit 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 1,749,442,062 Shares. Assuming that there is no change in the issued share capital between

## LETTER FROM THE BOARD

the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other share scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 174,944,206 Shares, representing 10% of the Shares in issue as at the Adoption Date.

### **Condition precedent of the 2024 Restricted Share Unit Scheme**

The 2024 Restricted Share Unit Scheme will take effect upon satisfaction of the following conditions:

- (i) the passing of ordinary resolution(s) by the Shareholders in the EGM to approve the adoption of the 2024 Restricted Share Unit Scheme and to authorise the Board to grant Awards thereunder and to allot, issue and deal with Shares pursuant to the Awards granted under the 2024 Restricted Share Unit Scheme; and
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, any RSUs to be issued under the 2024 Restricted Share Unit 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 RSUs granted under the 2024 Restricted Share Unit Scheme.

### **Explanation of the terms of the 2024 Restricted Share Unit Scheme**

A summary of the principal terms of the rules of the 2024 Restricted Share Unit Scheme is set out in Appendix II hereto. This serves as a summary of the terms of the 2024 Restricted Share Unit Scheme but does not constitute the full terms of the same.

The purpose of the 2024 Restricted Share Unit Scheme is to reward the Eligible Participants for their contribution to the success of the Group, and to provide incentives to them to further contribute to the Group; and to attract suitable personnel for further development of the Group.

The reason for adopting the 2024 Restricted Share Unit Scheme in addition to the 2024 Share Option Scheme is to give the Company greater flexibility and increase the number of effective measures the Company may deploy to reward, retain and motivate its employees, as well as other Eligible Participants, in order to achieve better performance and further align the interests of the Grantees with the interests of the Company and its Shareholders.

RSUs awarded under the 2024 Restricted Share Unit Scheme and Options granted under the 2024 Share Option Scheme are inherently different in nature. A Selected Participant under the 2024 Restricted Share Unit Scheme is only required to pay the purchase price (if any) to subscribe for the RSUs which will be determined based on considerations such as the prevailing closing price of the Shares, the purpose of the Award

## LETTER FROM THE BOARD

and the characteristics and profile of the Selected Participants, whereas a Grantee is required to pay the Subscription Price to subscribe for Shares on the exercise of an Option under the 2024 Share Option Scheme. Pursuant to the Rule 17.03(9) of the Listing Rules, the Subscription Price in respect of any particular Option shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the relevant Offer Date in respect of such Option, which must be a trading day; or (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding relevant Offer Date in respect of such Option. Thus, for exercising the Options under the 2024 Share Option Scheme, the Grantees under the 2024 Share Option Scheme must have immediately available funds for the payments of the Subscription Prices.

In addition, the values of the Options would be reduced or diminished if the market prices of the Shares decline and in that case, the Options may not provide effective incentive to the Grantee. As such, the Directors believe that adopting the 2024 Restricted Share Unit Scheme in addition to the 2024 Share Option Scheme will provide the Company with greater flexibility to reward, retain and motivate the employees as well as the other Eligible Participants, allow the Group to further strengthen its competitiveness in attracting and retaining superior talent and cultivating business relationships, and, consequently, to improve the performance and achieve growth for the Company. The Directors will take into consideration all relevant factors when considering whether to grant an Option or Award to the grantee and adopt what it considers to be the most effective means of achieving the purpose of the 2024 Restricted Share Unit Scheme and the 2024 Share Option Scheme. The Directors consider that the adoption of the 2024 Restricted Share Unit Scheme is in the interests of the Company and the Shareholders as a whole.

### **Eligible Participants**

Eligible Participants under the 2024 Restricted Share Unit Scheme include (i) the Employee Participants; (ii) the Related Entity Participants; and (iii) the Service Providers.

In determining the basis of eligibility of each Eligible Participant, the Board shall take into consideration matters including, but without limitation to: (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant); (c) 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); (d) 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.

Further, in determining the eligibility of Employee Participants, the Board will consider the following: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

## LETTER FROM THE BOARD

In determining the eligibility of Related Entity Participants, the Board will consider the following: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; and (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

The Directors (including the independent non-executive Directors) believe that, instead of solely relying on the Group's employees, the Related Entity Participants are valuable human resources to the Group as they often engage in projects or other business collaborations in connection with the Group's businesses, which have contributed to the development and growth of the Group's businesses. Therefore, the Board (including the independent non-executive Directors) considers that the inclusion of the Related Entity Participants as participants of the 2024 Restricted Share Unit Scheme will induce and provide further incentive to the Related Entity Participants to contribute to the growth and success of the Group, and that the criteria for their selection align with the Company's business needs, the purpose of the 2024 Restricted Share Unit Scheme, and the long term interests of the Company and the Shareholders.

In determining the eligibility of Service Providers, the Board will consider the following: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their 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); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; and (i) the positive impact brought to the Group's business development by the Service Provider.

Service Providers will be further divided into two categories, namely (i) Contractors, consultants, agents and advisors; and (ii) Suppliers. Service Providers under (i) include contractors, consultants, agents and advisers who provide advisory services, consultancy services and agency services to the Group on a continuing or recurring basis in its ordinary and usual course of business which relate to the Group's principal business activities of the operation and development of web games, mobile games, PC games, Console games, HTML5 games and other types of games, in support of the Group's businesses, or helped maintain or enhanced the competitiveness of the Group by way of

## LETTER FROM THE BOARD

introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge to the benefit and development of the Group's businesses. For instance, game design consultants possess creative thinking skills and have good understanding of the gaming market. They are familiar with game design principles and are able to conduct data analysis to understand user demand and behavior. Game graphic consultants have good art skills and professional skills in modeling and animation. Game technical consultants are familiar with game engine frameworks, programming languages and development tools, and are able to resolve programming issues and improve game performance. Game distributors assist the Group in marketing and promotion activities with their capabilities in producing promotional marketing materials and their bargaining power in distribution channels. These are certain key examples of the specialised skills and knowledge of the Service Providers that are conducive to the development of the Group's businesses. The Board will take into account the following: (a) the individual performance of the relevant contractor, consultant, agent and/or adviser; (b) their knowledge, experience, and network in the relevant industry; (c) the frequency of collaboration within each contract term and length of their business relationship with the Group; (d) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (e) 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); (f) the background, credentials and experiences of the relevant contractor, consultant, agent and/or adviser; (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, consultant, agent and/or adviser could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, consultant, agent and/or adviser; and (h) the capability, expertise, technical know-how and/or business connections of the relevant contractor, consultant, agent and/or adviser, and/or the synergy between the relevant contractor, consultant, agent and/or adviser and the Group.

Service Providers under (ii) include suppliers of technical support, game development services, game distribution and game promotion services, who/which support the Group's principal business activities in the industry of web games, mobile games, PC games, Console games and HTML5 games and related ancillary services on a continuing or recurring basis in its ordinary and usual course of business. The Board will take into account the following: (a) the nature, reliability and quality of the services supplied in relation to the Group's businesses; and (b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (c) the frequency of collaboration within each contract term and length of business relationship with the Group; (d) 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); (e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

## LETTER FROM THE BOARD

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration: (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

The Directors (including the independent non-executive Directors) believe that, despite that the Company not having previously granted any share options or awarded shares to its Related Entity Participants and Service Providers, for the reasons detailed in paragraphs (i) to (iii) below, it would be in the Company's interest to have the flexibility to grant RSUs to the Related Entity Participants and the Service Providers in recognition of their contribution to the Company where warranted. Given that nature of the businesses of the Group has cooperation with the Service Providers and the Related Entity Participants over past years, the Directors consider that the inclusion of each of the Related Entity Participants and the proposed categories of the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective, provide the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward their contribution and will help maintaining or enhancing the competitiveness of the Group. The Directors have given consideration to the criteria for determining the eligibility of a particular Related Entity Participant and a particular Service Provider as set out in paragraph 1.1.2 and 1.1.3 to Appendix II respectively, which include qualitative and quantitative factors based on the type of the Related Entity Participant and the Service Provider and allow a variety of aspects of the relationship and contributions/potential contributions of the Related Entity Participant and the Service Provider to be taken into account. The Directors will also impose appropriate vesting requirements and performance targets in any grant in such manner so as to align the interest of the Related Entity Participant and the Service Provider with that of the Group and to achieve the purpose of the 2024 Restricted Share Unit Scheme. The Directors (including the independent non-executive Directors) are of the view that the inclusion of the Related Entity Participants and the Service Providers as Eligible Participants, the criteria for selection of the Eligible Participants, and the terms of the grants fair and reasonable and align with the purpose of the 2024 Restricted Share Unit Scheme, based on the following reasons:

- (iv) For the Related Entity Participants, despite not being directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), the Company acknowledges they have close corporate and collaborative relationships with the Group, and involvement in joint work projects closely connected with the Group's business. The Related Entity Participants, such as senior management of our fellow subsidiaries and associated companies, have extensive connections in the market and have been providing support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategy and sharing

## LETTER FROM THE BOARD

their knowledge and expertise of operation and development of web and mobile games. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development. Therefore, to recognise their contribution, the Company wishes to incentivise them by including them as Eligible Participants and granting the RSUs to them based on their performance, thereby further strengthening collaboration and ties with the Group. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2024 Restricted Share Unit Scheme.

- (v) For the Service Providers, despite the Service Providers will receive service fees in cash from the Group, it is essential to allow flexibility to provide equity-based payment as part of its payment options when appropriate, in order to align its interests and maintain business relationships with certain Service Providers given the unique challenges posed by the Group's business, including but not limited to, (i) the difficulty in finding and engaging experienced, qualified Service Providers such as contractors, suppliers, consultants, agents and advisers, (ii) the length time required to carry out and complete a single project, and (iii) the potential detrimental impact on the business that may arise due to a change of Service Provider(s) during the course of a project. In light of these challenges, the Board believes that it is in the Group's best interest to allow flexibility to pay service fees in a combination of cash and RSUs or grant RSUs as incentives to the Service Providers when deemed appropriate.
- (vi) The Group has collaborated with Service Providers for the operation, promotion and development of web games, mobile games, PC games, Console games and HTML5 games, and other services that related to or ancillary to the principal business of the Group. Furthermore, in view of the rapid change in market situation, the Group may require professional services to be provided by the Service Providers on a continuing or recurring basis to cope with its demand for initiatives, projects and focuses and to support its expansion plans from time to time. In such case, the Board will determine whether the Service Providers providing professional services are eligible to participate in the 2024 Restricted Share Unit 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 principal business segments and focuses from time to time. Such Service Providers 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 be seasoned people in their own fields and professionals with extensive 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 or be engaged on contract basis which is in line with

## LETTER FROM THE BOARD

industry norm, and the Company may need to outsource such functions and procure services from suppliers, or is unable to turn to internal resources for these kind of specialised support due to various restraints. A sustainable and collaborative working relationship with these Service Providers is vital for the smooth and efficient business operation and the long-term development of the Group.

Recognising the contribution of the Related Entity Participants and the Service Providers as mentioned above may enhance their performance and further contribution to the Company which are essential to the sustainable and successful development of the Company. The adoption of the 2024 Restricted Share Unit Scheme confers several advantages:

- (v) aligning the interests of the Related Entity Participants and the Services Providers and the Group by providing them the opportunity to partake in the Group's future prospects and benefit from additional rewards through their sustained and long-term contributions, as the success of the Group will directly impact the value of the RSUs granted to such Related Entity Participants and Service Providers;
- (vi) incentivising the Related Entity Participants and the Service Providers to provide high-quality services to the Group by linking their rewards to the Group's success, thereby encouraging optimal performance and efficiency;
- (vii) enhancing loyalty and foster long-term stable cooperation between the Group and the Related Entity Participants and the Service Providers; and
- (viii) facilitating the Group's capacity to allocate its financial resources more efficiently, for instance, by preserving cash for other parts of the Group's business operations or investments while continuing to provide competitive incentives to attract and retain high-calibre Service Providers.

For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, merger or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectively.

As at the Latest Practicable Date, the Company had not formulated any concrete plan or present intention to grant any Options or Awards to the independent non-executive Directors under the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of shareholders and all Board members, including the independent non-executive Directors and (ii) it is common to include independent non-executive Directors as eligible persons of the share schemes among public companies, the Board believes the inclusion of independent non-executive Directors as participants of the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme and the flexibility to grant share options or awards

## LETTER FROM THE BOARD

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

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options or Awards for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Option or Award is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all the options or awards granted and to be granted under the 2024 Share Option Scheme, the 2024 Restricted Share Unit Scheme and any other share scheme(s) of the Company to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Options to the independent non-executive Directors.

### **Vesting period**

The vesting period for Awards under the 2024 Restricted Share Unit Scheme shall not be less than twelve (12) months from the Grant Date.

To ensure the practicability of fully attaining the purpose of the 2024 Restricted Share Unit Scheme, the Board is of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Selected Participant, such as those set out in paragraph 12.1 of Appendix II to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to the 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. For the avoidance of doubt, such shorter vesting period is only applicable to the Awards granted to the Employee Participants. In addition, in the events set out in Paragraphs 8.3 to 8.6 of Appendix II, such as death of the Employee Participant or general offer, compromise or scheme of arrangement, or winding up of the Company, the Board considers that under such specific circumstances it is appropriate and reasonable to allow a vesting period of shorter than twelve (12) months. Despite the fact that the Employee Participant may no longer contribute to the Group under such specific circumstances, the purpose of the 2024 Restricted Share Unit Scheme is not only to recognize and acknowledge the potential future contribution that the Eligible Participants may make to the Group but also past contributions that they have already made to the Group. The Board and the Remuneration Committee believe that it is appropriate and reasonable to allow a shorter vesting period in the occurrence of an out-of-control event,

## LETTER FROM THE BOARD

considering that the RSUs are rewards for the Employee Participant's past contribution to the Group as recognised and acknowledged at the time of grant, and hence the Employee Participant should not be precluded from receiving such rewards in the occurrence of a future event beyond his/her control. Further, having the flexibility of a shorter vesting period for the Employee Participants under the above circumstances, the Group will be in a better position to attract and retain Employee Participants to continue serving the Group as they can rest assured that their RSUs may still become vested in the occurrence of an out-of-control event, which aligns with the purpose of the 2024 Restricted Share Unit Scheme, that is, among other things, to provide incentives to the Eligible Participants in order to achieve the principal objectives of recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group.

Hence, the Board and the Remuneration Committee are of the view that maintaining the ability to grant Awards with a shorter vesting period in the circumstances as prescribed in paragraph 12.1 of Appendix II to this circular is in line with the market practice and give the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified and is appropriate and aligns with the purpose of the 2024 Restricted Share Unit Scheme.

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

The Board may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the RSUs may be vested in the Award Letter. Such performance targets may include, among others, financial targets and management targets, which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Participants.

In relation to the clawback mechanism of the 2024 Restricted Share Unit Scheme, any outstanding RSUs not yet vested shall be immediately forfeited under certain circumstances specified in the 2024 Restricted Share Unit Scheme, such as the Selected Participant is involved in serious misconduct, or a material misstatement in the Company's financial statements, or any other clawback event implicitly or explicitly characterised in the Award Letter occurs. For details of the circumstances in which RSUs which are unvested shall be forfeited, please refer to paragraph 17 in the Appendix II to this circular.

The Board is of the view that the aforementioned measures will provide the Board with increased flexibility in establishing the terms and conditions of the RSUs for specific grant circumstances. This will enable the Board to offer meaningful incentives to attract and retain high-quality personnel who are beneficial to the development of the Group and contribute to the overall benefit of the Group and the Shareholders.

## LETTER FROM THE BOARD

### **Basis of determination of the purchase price of the RSUs**

The purchase price of the RSUs (if any) shall be such price as determined by the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the Award and the characteristics and profile of the Selected Participant. Such room for discretion provides the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time with flexibility to stipulate, if necessary, a purchase price for the RSUs, while balancing the purpose of the Award and the interests of Shareholders.

None of the Directors is or will be an administrator of the 2024 Restricted Share Unit Scheme nor has a direct or indirect interest in the administrator.

The Board has no present intention to grant any Award to any of the Eligible Participants under the 2024 Restricted Share Unit Scheme after its adoption.

### **Document on display**

A copy of the rules of the 2024 Restricted Share Unit Scheme will be published on the respective websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.feiyuhk.com](http://www.feiyuhk.com) for display for a period of not less than fourteen (14) days before the date of the EGM and the rules of the 2024 Restricted Share Unit Scheme will be made available for inspection at the EGM.

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

The forthcoming EGM is scheduled to be held on Friday, 24 May 2024. To determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 21 May 2024 to Friday, 24 May 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 May 2024.

### **EGM**

The notice convening the EGM to be held at Senior Executive Meeting Room, 5/F, Block A, No.78 Hu'an Road, High-tech Park, Huli District, Xiamen, Fujian Province, the People's Republic of China on Friday, 24 May 2024 at 4:00 p.m. is set out on pages 68 to 71 of this circular. A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong, as soon as possible but in any event no less than 48 hours before the time appointed for the

## LETTER FROM THE BOARD

holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting thereof (as the case may be) should you so desire and in such event, the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of 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 hands. Therefore, all resolutions as set out in the notice convening the EGM will be voted by poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATIONS

The Directors consider that the proposals for the proposed termination of the Post-IPO Share Option Scheme and the Restricted Share Units Plan II, and the proposed adoption of the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and as set out in the EGM Notice.

### 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.

Yours faithfully,  
For and on behalf of the Board  
**Feiyu Technology International Company Ltd.**  
**Yao Jianjun**  
*Chairman, Chief Executive Officer  
and Executive Director*

*The following is a summary of the principal rules of the 2024 Share Option Scheme but does not form part of, nor was it intended to be, part of the 2024 Share Option Scheme nor should it be taken as affecting the interpretation of the 2024 Share Option Scheme.*

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

- 1.1. The purpose of the 2024 Share Option Scheme is to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group, and to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contributions to the Group with the view to achieving the principal objectives of (i) recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group; and (ii) motivate the Eligible Participants whose contributions are, will or are expected to be beneficial to the Group.

## **2. LIFE OF THE 2024 SHARE OPTION SCHEME**

- 2.1. Subject to **Paragraphs 25 and 26**, the 2024 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period no further Options will be offered or granted but the provisions of the 2024 Share Option Scheme shall remain in full force and effect in all other respects with respect to Options granted during the life of the 2024 Share Option Scheme.

## **3. PARTICIPANTS OF THE 2024 SHARE OPTION SCHEME AND ELIGIBILITY CRITERIA**

- 3.1. The Eligible Participants of the 2024 Share Option Scheme to whom Options may be granted by the Board shall include (i) the Employee Participants (including the independent non-executive Directors); (ii) the Related Entity Participants; and (iii) the Service Providers.
- 3.2. In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant); (c) 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); and (d) 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.

- 3.3. For Employee Participants, assessing factors include without limitation: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.
- 3.4. For Related Entity Participants, assessing factors include without limitation: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- 3.5. For each category of Service Providers, the factors in assessing whether such Service Provider is eligible to participate in the 2024 Share Option Scheme include, in particular: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their 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); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; and (i) the positive impact brought to the Group's business development by the Service Provider. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, merger or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to

the Group with impartiality and objectivity. Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

#### 3.5.1. Contractors, consultants, agents and advisors

Service Providers under this category include contractors, consultants, agents and advisers who provide advisory services, consultancy services and agency services to the Group on a continuing or recurring basis in its ordinary and usual course of business which relate to the Group's principal business activities of the operation and development of web games, mobile games, PC games, Console games, HTML5 games and other types of games, in support of the Group's businesses, or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge to the benefit and development of the Group's businesses.

The Board will take into account, amongst others: (i) the individual performance of the relevant contractor, consultant, agent and/or adviser; (ii) their knowledge, experience, and network in the relevant industry; (iii) the frequency of collaboration within each contract term and length of their business relationship with the Group; (iv) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (v) 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); (vi) the background, credentials and experiences of the relevant contractor, consultant, agent and/or adviser; (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, consultant, agent and/or adviser could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, consultant, agent and/or adviser; and (viii) the capability, expertise, technical know-how and/or business connections of the relevant contractor, consultant, agent and/or adviser, and/or the synergy between the relevant contractor, consultant, agent and/or adviser and the Group.

#### 3.5.2. Suppliers

Service Providers under this category include suppliers of technical support, game development services, game distribution and game promotion services, who/which support the Group's principal business activities in the industry of web games, mobile games, PC games, Console games and HTML5 games and related ancillary services on a continuing or recurring basis in its ordinary and usual course of business.

The Board will take into account, amongst others, (i) the nature, reliability and quality of the services supplied in relation to the Group's businesses; (ii) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (iii) the frequency of collaboration within each contract term and length of business relationship with the Group; (iv) 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); (v) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (vi) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

#### 4. OFFER AND GRANT OF OPTIONS

- 4.1. On and subject to the terms of the 2024 Share Option Scheme and only when in compliance with the Listing Rules applicable from time to time, the Board shall be entitled but shall not be bound at any time and from time to time within ten (10) years from the Adoption Date to make an Offer to any Eligible Participant as the Board may at its absolute discretion select to take up Options to subscribe for such number of Shares, being a board lot for dealing in Shares on the Main Board or an integral multiple thereof, as the Board may determine, at the Subscription Price. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (including, without limitation, any minimum period for which an Option must be held before it can be exercised, any performance targets which must be achieved before an Option can be exercised, and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances) as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the 2024 Share Option Scheme.
- 4.2. Subject to the rules of the 2024 Share Option Scheme, the Listing Rules and any applicable laws and regulations, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power from time to time to establish and administer performance targets (if any) that must be fulfilled by a Grantee before any of the Options may be vested to such Grantees under such grant of Options. Such performance targets shall include, among others, financial targets and management targets

which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Selected Participant. The finance department of the Company shall be responsible for compiling a performance appraisal report on statistics relating Group-level performance targets and the human resources department shall be responsible for compiling a performance appraisal report based on the Group's performance appraisal results and the individual performance appraisal results, which will be submitted to the Board or such committee of the Board or person(s) delegated with its authority, for consideration and approval. For the avoidance of doubt, unless stated in the relevant Offer Document, the Options shall not be subject to any performance targets, criteria or conditions.

## 5. VESTING PERIOD

- 5.1. Save in the circumstances prescribed in **Paragraph 5.2** below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.
- 5.2. The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:
  - (a) grants of "make-whole" Options to new joiners to replace the awards or options they forfeited when leaving the previous employer;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
  - (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
  - (d) grants that are made in batches during a year for administrative and compliance reasons. They may 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;
  - (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
  - (f) grants of Options with a total vesting and holding period of more than 12 months.

- 5.3 For the avoidance of doubt, in addition to the events set out in **Paragraph 5.2**, a shorter vesting period may be applicable to the Employee Participants in the following circumstances as further set out in **Paragraphs 16 to 19** below:
- (a) the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under **Paragraph 20(e)** has occurred;
  - (b) a general offer as set out in Paragraph 17.1 becomes, or is declared unconditional;
  - (c) a compromise or arrangement between the Company and its shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Law; and
  - (d) a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company.

## 6. CLAWBACK MECHANISM

- 6.1. If any of the following events shall occur during an Option Period:
- (a) the Grantee is involved in serious misconduct;
  - (b) a material misstatement in the Company's financial statements; or
  - (c) any other clawback event implicitly or explicitly characterised in the Offer Document occurs,

the Board may, (but is not obliged to) by notice in writing to the Grantee concerned: (i) clawback such number of Options (to the extent not being exercised) granted as the Board may consider appropriate; or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred, if applicable) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Board may consider appropriate. The Options that are clawed back pursuant to this paragraph shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit (as defined below), as the case may be) and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit (as defined below), as the case may be).

**7. SUBSCRIPTION PRICE**

7.1. The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to the terms of the 2024 Share Option Scheme, be a price determined by the Board in its sole discretion and notified by the Board to each Grantee and shall be at least the highest of:

- (a) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (b) the average closing price per Share as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

**8. RESTRICTION ON THE TIME OF GRANT OF OPTION**

8.1. Any Offer must not be made after inside information (having the meaning as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules and, in particular, no Eligible Participant shall be granted an Option during the period commencing one (1) month immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's result for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of results for (i) any year or half-year period in accordance with the Listing Rules and (ii) where the Company has elected to publish them, whether or not required under the Listing Rules, results for any quarterly or any other interim period

and ending on the date of announcement for such results. For the avoidance of doubt, no Options shall be granted as mentioned above during any period of delay in publishing a results announcement.

**9. ACCEPTANCE OF OFFERS**

9.1. An Offer shall remain open for acceptance by the Eligible Participant concerned for such period as determined by the Board, which period shall not be more than fourteen (14) days from the Offer Date, provided that no such

Offer shall be open for acceptance after the tenth (10th) anniversary of the Adoption Date or after the 2024 Share Option Scheme has been terminated in accordance with the provisions of the 2024 Share Option Scheme.

- 9.2. An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect with retrospective effect from the Offer Date when the duplicate letter comprising acceptance of the Offer, duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance/payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company.

## 10. MAXIMUM OF SHARES AVAILABLE FOR SUBSCRIPTION

- 10.1. (a) The total number of Shares which may be issued in respect of all Options to be granted under the 2024 Share Option Scheme and all options and awards to be granted under any other share schemes of the Company must not, in aggregate, exceed 10% of the total number of Shares in issue as at the Adoption Date unless shareholders' approval has been obtained pursuant to **Paragraphs 10.1(c) and 10.1(d) or Paragraph 10.1(e)** below. Options or awards lapsed in accordance with the terms of the 2024 Share Option Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to **Paragraph 10.1(a)**, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options to be granted under the 2024 Share Option Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers must not, in aggregate, exceed 1% of the total number of Shares in issue as at the Adoption Date unless shareholders' approval has been obtained pursuant to **Paragraphs 10.1(c) and 10.1(d) or Paragraph 10.1(e)** below. Options or awards lapsed in accordance with the terms of the 2024 Share Option Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Service Provider Sublimit.
- (c) The Company may seek approval by the Shareholders in general meeting for "refreshing" the Scheme Mandate Limit (and the Service Provider Sublimit) after three (3) years from date of Shareholders' approval for the last refreshment (or the Adoption Date). Any "refreshment" within any three (3) year period must be approved by the Shareholders subject to the following provisions:
- (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder of the Company,

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) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under **sub-paragraphs (i) and (ii)** of this **Paragraph 10.1(c)** do not apply if the refreshment is made immediately after an issue of securities by the Company to its 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 each of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (d) The total number of Shares which may be issued in respect of all Options to be granted under the 2024 Share Option Scheme and all options and awards to be granted under any other share schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit as “refreshed” must not, in aggregate, exceed 10 % and 1% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”) and the refreshed Service Provider Sublimit (the “**Refreshed Service Provider Sublimit**”) respectively. The Company must send a circular to the Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the “refreshment”. Options previously granted under the 2024 Share Option Scheme and any other share schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the 2024 Share Option Scheme or any other share schemes of the Company and exercised Options) will not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit and the Refreshed Service Provider Sublimit. Options or awards lapsed in accordance with the terms of the 2024 Share Option Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Refreshed Scheme Mandate Limit and the Refreshed Service Provider Sublimit.
- (e) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) provided that the Options in excess of the

Scheme Mandate Limit, the Refreshed Scheme Mandate Limit, the Service Provider Sublimit or the Refreshed Service Provider Sublimit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to its shareholders 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 such 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. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

- (f) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the share schemes of the Company under the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

## 11. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

- 11.1. Where any grant of Options to an Eligible Participant would result in the total number of Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme and all options and awards granted under any other share schemes of the Company to such Eligible Participant (excluding any options or awards lapsed in accordance with the terms of the 2024 Share Option Scheme or any other share schemes of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue as at the date of such grant, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. A circular must be sent by the Company to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Eligible

Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, 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.

## 12. GRANTS OF OPTIONS TO CERTAIN CONNECTED PERSONS

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

12.2. Where Options are proposed to be granted to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, and the proposed grant of Options would result in the total number of Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme and all options and awards granted under any other share schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the 2024 Share Option Scheme or any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue on the Offer Date, such further grant of Options must be approved by the Shareholders taken on a poll in general meeting. In addition, 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. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except that any such person may vote against the proposed grant provided that his/her intention to do so has been stated in the relevant circular to the shareholders of the Company). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. A circular to the Shareholders must be prepared and sent by the Company containing the details set out in Rule 17.04(5). Any change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner set out in this paragraph if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2024 Share Option Scheme).

## 13. TIME OF EXERCISE OF OPTION

13.1. An Option may be exercised in accordance with the terms of the 2024 Share Option Scheme at any time during a period to be notified by the Board subject to the terms of grant (including but not limited to the vesting period set out in **Paragraph 5**), the expiry date of such period not to exceed ten (10) years from the Offer Date.

**14. RIGHTS ARE PERSONAL TO GRANTEE**

14.1. 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 (legal or equitable) in favour of any third party over or in relation to any Option or attempt to do so, unless a waiver is granted by the Stock Exchange. Any breach of this **Paragraph 14.1** by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.

**15. RIGHTS ON CEASING EMPLOYMENT**

15.1. In the event of the Grantee ceasing to be an Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in **Paragraph 20.1(e)**, the Grantee may exercise the Option in accordance with the provisions of the 2024 Share Option Scheme up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not), provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant or the personal representative(s) of such Grantee any right to exercise the Option within 12 months from the respective date of grant.

**16. RIGHTS ON DEATH**

16.1. In the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under **Paragraph 20(e)** has occurred, the Grantee or the personal representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised), provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant or the personal representative(s) of such Grantee any right to exercise the Option within 12 months from the respective date of grant.

**17. RIGHTS ON A GENERAL OFFER**

17.1. If a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the Options granted to them as shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the Grantee (or in the case of death of the Grantee, his legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional, provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Option within 12 months from the respective date of grant.

**18. RIGHTS ON A COMPROMISE OR SCHEME OF ARRANGEMENT**

18.1. If a compromise or arrangement between the Company and its shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Law, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to the shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement thereupon each Grantees shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting, provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Option within 12 months from the respective date of grant. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or

arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

## 19. RIGHTS ON WINDING UP

19.1. In the event that a notice is given by the Company to the Shareholders to convene a 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 or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Options within 12 months from the respective date of grant.

## 20. LAPSE OF OPTION

20.1. The right to exercise an Option shall lapse automatically and become not exercisable (to the extent not already exercised) immediately upon the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in **Paragraphs 15, 16, 17, 18 and 19**;
- (c) the date of the commencement of the winding up of the Company in respect of the situation contemplated in **Paragraph 19** (as determined in accordance with the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect);

- (d) the date on which the scheme of arrangement of the Company referred to in **Paragraph 18** becomes effective;
- (e) the date on which the relevant Grantee ceases to be an Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary;
- (f) the date that is thirty (30) days after the date on which the Grantee is terminated by the Company and/or any of its Subsidiaries on a ground other than those set forth in **Paragraph 20.1(e)**; or
- (g) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of **Paragraph 14** or the Options are cancelled in accordance with **Paragraph 24**.

## 21. RANKING OF SHARES

21.1. The Share(s) to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions declared, 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 if the record date therefor shall be before the date of allotment. The Options themselves, however, do not carry any voting, dividend, transfer or other rights, including those arising on a liquidation of the Company, prior to their being exercised and the underlying Shares being issued.

## 22. REORGANISATION OF CAPITAL STRUCTURE

22.1. In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares 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), the Company shall instruct the Auditors or independent

financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised;
- (b) the Subscription Price of any unexercised Options; and/or
- (c) the number of Shares subject to the 2024 Share Option Scheme,

and an adjustment as so certified by the Auditors or the independent financial adviser shall be made, provided that:-

- (i) no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value;
- (ii) such adjustments shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was entitled before such adjustments;
- (iii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment,

and in each case, any adjustment must be made in compliance with the Listing Rules (including, without limitation, Chapter 17 thereof) and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, the auditors or an independent financial adviser to be appointed by the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules or the relevant guidance or interpretation thereof.

## **23. ALTERATION TO THE 2024 SHARE OPTION SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THE 2024 SHARE OPTION SCHEME**

23.1. Subject to the Listing Rules, all provisions of the 2024 Share Option Scheme may be altered from time to time in any respect by a resolution of the Board provided that:

- (a) any alterations of the terms and conditions of the 2024 Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting;

- (b) any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the 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 2024 Share Option Scheme;
- (c) the amended terms of the 2024 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board to alter the terms of the 2024 Share Option Scheme must be approved by the Shareholders in general meeting.

Written notice of any alterations made in accordance with **Paragraph 23.1** shall be given to all Grantees.

## 24. CANCELLATION OF OPTIONS GRANTED

24.1. Any Option granted but not exercised may be cancelled in whole or in part and at any time:

- (a) if agreed between the Company and the relevant Grantee; or
- (b) if the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or
- (c) if the Company pays or procures to be paid to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the closing price of a Share as stated on the Stock Exchange's daily quotations sheet on the date of cancellation and the Subscription Price.

Where the Company cancels the Options and makes a new grant to the same Grantee, such new grant may only be made under the 2024 Share Option Scheme with available Scheme Mandate Limit or Refreshed Scheme Mandate Limit (or, where the Grantee is a Service Provider, the Service Provider Sublimit or the Refreshed Service Provider Sublimit). The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) (and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be)).

## 25. TERMINATION

25.1. The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the 2024 Share Option Scheme and in such event no further Options shall be offered but the provisions of the 2024 Share Option Scheme shall remain in all other respects in full force and effect in respect of any Options granted prior thereto but not yet exercised or in respect of which Shares are not yet issued to the Grantees at the time of 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 such termination shall be disclosed in the circular to the Shareholders seeking approval of the first new scheme to be established or refreshment of scheme mandate limit under any other existing share scheme of the Company after such termination.

## 26. CONDITIONS OF THE 2024 SHARE OPTION SCHEME

26.1. The 2024 Share Option Scheme shall take effect subject to the fulfilment of the conditions set out as follows:

- (a) the passing of the necessary resolution by the Shareholders to approve and adopt the 2024 Share Option Scheme with the Scheme Mandate Limit, and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the 2024 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares that may be issued by the Company pursuant to the exercise of the Options which may be granted under the 2024 Share Option Scheme.

*The following is a summary of the principal rules of the 2024 Restricted Share Unit Scheme but does not form part of, nor was it intended to be, part of the 2024 Restricted Share Unit Scheme nor should it be taken as affecting the interpretation of the 2024 Restricted Share Unit Scheme.*

## **1. ELIGIBLE PARTICIPANTS TO THE 2024 RESTRICTED SHARE UNIT SCHEME**

1.1. Eligible Participants are the Employee Participants (including the independent non-executive Directors), the Related Entity Participants, and the Service Providers. In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant); (c) 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); and (d) 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.

1.1.1. For Employee Participants, assessing factors include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

1.1.2. For Related Entity Participants, assessing factors include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

1.1.3. For Service Providers, assessing factors include: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their 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); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; and (i) the positive impact brought to the Group's business development by the Service Provider. In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature. For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services to the Group for fundraising, merger or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity.

## 2. PURPOSE OF THE 2024 RESTRICTED SHARE UNIT SCHEME

- 2.1. The purposes of the 2024 Restricted Share Unit Scheme are to reward the Eligible Participants for their contribution to the success of the Group, and to provide incentives to them to further contribute to the Group; and to attract suitable personnel for further development of the Group.

## 3. AWARDS

- 3.1. An Award of RSUs under the 2024 Restricted Share Unit Scheme gives a Selected Participant a conditional right to vest the RSUs to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the Board in its absolute discretion. An Award may include, if so specified by the Board in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those RSUs from the date that the Award is granted to the date that it vests.
- 3.2. For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Shares underlying unvested RSUs would be paid to the Selected Participants even though the RSUs have not yet vested.

## 4. GRANT OF AWARD

- 4.1. The Board or the committee of the Board or person(s) to which the Board has delegated its authority, may, from time to time, select any Eligible Participant to be a Selected Participant and grant an Award to such Selected Participant by way of an Award Letter. The Award Letter will specify the Grant Date, the number of RSUs underlying the Award, the vesting criteria and conditions (including but not limited to performance target(s), if any), the purchase price of the RSUs (if any) and the vesting date and such other details as the Board or its delegate(s) may consider necessary. Upon receipt of the Award Letter, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them within 21 days after the Grant Date (the “**Acceptance Period**”) together with a payment (if any) in favour of the Company as consideration for the grant thereof as the Board may determine. If the Selected Participant fails to return the notice of acceptance upon the expiration of the Acceptance Period to the Company, the Award automatically lapses forthwith and the Shares pursuant to the Award will become Returned Shares.

- 4.2. No RSUs shall be granted to any Eligible Participant if such grant of RSUs to such person would result in the number of Shares issued and to be issued in respect of all RSUs granted under the 2024 Restricted Share Unit Scheme and all awards and options granted under any other share scheme(s) adopted by the Company (excluding any awards and options lapsed in accordance with the terms of the share schemes of the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue, unless:
- (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (as defined under the Listing Rules) (or his/her associates if such person is a connected person) shall abstain from voting;
  - (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
  - (c) the number and terms of such RSUs are fixed before the general meeting of the Company at which the same are approved.
- 4.3. Each grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). In addition:
- (a) where any grant of RSUs to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs granted under the 2024 Restricted Share Unit Scheme and all grants of awards (excluding option grants) under any other share scheme(s) of the Company (if any) (excluding any awards lapsed in accordance with the terms of the share schemes of the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the Shares in issue as at the date of such grant, such further grant of RSUs must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules; or

(b) where any grant of RSUs to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in Shares issued and to be issued in respect of all awards and options granted under the 2024 Restricted Share Unit Scheme and any other share scheme(s) adopted by the Company (excluding any awards and options lapsed in accordance with the terms of the share schemes of the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant, representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue as at the date of such grant such further grant of RSUs must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

4.4. In the circumstances described in **Paragraphs 4.3(a) and 4.3(b)** above, the Company must send a circular to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules. The Selected Participants, his/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 under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

## 5. RESTRICTIONS ON GRANTS AND TIMING OF GRANTS

5.1. No Award shall be made to Selected Participants pursuant to **Paragraph 4** and no directions or recommendation shall be given to the Administrator with respect to a grant of an Award under the 2024 Restricted Share Unit Scheme:

5.1.1. after inside information has come to the Company's knowledge until (and including) the trading day on which it has announced the information. In particular, no Awards shall be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of results announcement, no Awards may be granted; nor should any Award be made to any Eligible Participant during any other periods of time stipulated by the relevant sections of the Listing Rules from time to time in relation to any restriction on the time of grant of awards, or

- 5.1.2. during the periods or times in which the relevant Eligible Participant would be prohibited from dealing in the shares by the Listing Rules, including the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

## 6. MAXIMUM NUMBER OF SHARES TO BE GRANTED

- 6.1. The total number of Shares which may be issued in respect of all Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other share schemes of the Company must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.
  - (a) Subject to **Paragraph 6.1**, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Awards to be granted under the 2024 Restricted Share Unit Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers must not, in aggregate, exceed 1% of the total number of Shares in issue as at the Adoption Date unless shareholders' approval has been obtained pursuant to **Paragraph 6.3, 6.4 and 6.5** below.
- 6.2. For the purposes of calculating the Scheme Mandate Limit or Service Provider Sublimit under **Paragraph 6.1**, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.
- 6.3. The Scheme Mandate Limit and/or the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date), provided that:
  - (a) the Scheme Mandate Limit and the Service Provider Sublimit so refreshed shall not exceed 10% (or such other percentage as may be specified by the Stock Exchange from time to time) and 1%, respectively, of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit;

- (b) for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit, options or awards lapsed will not be regarded as utilized and options or awards cancelled will be regarded as utilised; and
  - (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit has to be dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.
- 6.4. Further to the requirements set out above, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:
- (a) any controlling shareholder and their associates (or if there are no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
  - (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
  - (c) the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its 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 Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 6.5. The Company may seek separate approval from the Shareholders in general meeting for granting awards which will result in the Scheme Mandate Limit and/or the Service Provider Sublimit (or so refreshed pursuant to Paragraph 6) being exceeded, provided that:
- (a) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and
  - (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

6.6. If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the 2024 Restricted Share Unit Scheme and all other share schemes of the Company under the utilised Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

## 7. PURCHASE PRICE OF RSUs

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

## 8. RIGHTS ATTACHED TO THE AWARD

8.1. Save that the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the RSUs would be paid to the Selected Participants even though the RSUs have not yet vested, the Selected Participant only has a contingent interest in the RSUs underlying an Award unless and until such RSUs are actually transferred (as the case may be) to the Selected Participant, nor does he/she have any rights to any cash or non-cash income until the RSUs and Related Income vest.

8.2. Neither the Selected Participant nor the Administrator may exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the RSUs, any Returned Shares, any bonus Shares and any scrip Shares). In particular, the Administrator holding Shares underlying unvested RSUs under the 2024 Restricted Share Unit Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

8.3. In the event a general offer by way of takeover, merger or otherwise in a like manner (other than by way of scheme of arrangement pursuant to **Paragraph 8.4** below) is made to all the shareholders of the Company (or all such shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such general offer is approved, and becomes or is declared unconditional in all respects prior to the Vesting Date of any RSU, the RSUs of the Selected Participants(s) will vest immediately to the extent specified in a notice given by the Company, provided that nothing in this sub-paragraph shall allow the

vesting of RSUs granted less than 12 months from the Grant Date onto a Selected Participant who is not an Employee Participant.

- 8.4. In the event a general offer for Shares by way of scheme of arrangement is made to all the shareholders of the Company and has been approved by the necessary number of shareholders at the requisite meetings prior to the vesting of any RSU, the RSUs of the Selected Participant(s) will vest immediately to the extent specified in a notice given by the Company, provided that nothing in this sub-paragraph shall allow the vesting of RSUs granted less than 12 months from the Grant Date onto a Selected Participant who is not an Employee Participant.
- 8.5. In the event an effective resolution is passed during the term of the 2024 Restricted Share Unit Scheme for voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement as set out in this paragraph), prior to the vesting date of any RSU, the RSUs of the Selected Participants(s) will vest immediately to the extent specified in a notice given by the Company provided that all unvested RSUs must be vested and effected by no later than one Business Day before the day of the proposed general meeting to be convened for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (or to pass written resolutions of the shareholders of the Company to the same effect), provided that nothing in this sub-paragraph shall allow the vesting of RSUs granted less than 12 months from the Grant Date onto a Selected Participant who is not an Employee Participant.
- 8.6. In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in **Paragraph 8.4**, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or amalgamation of the Company and any other company(ies), and a notice is given by the Company to its shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement prior to the vesting of RSUs of the Selected Participants(s), the RSUs will vest immediately to the extent specified in a notice given by the Company, provided that nothing in this sub-paragraph shall allow the vesting of RSUs granted less than 12 months from the Grant Date onto a Selected Participant who is not an Employee Participant.

## 9. RIGHTS ATTACHED TO THE SHARES

- 9.1. Any RSUs transferred to a Selected Participant in respect of any Awards will be subject to all the provisions of the Articles for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly shall entitle the Selected Participants to participate in all

dividends or other distributions paid or made on or after the date on which Shares are allotted and issued or transferred, or if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted.

#### **10. ISSUE OF SHARES AND/OR TRANSFER OF FUNDS TO THE ADMINISTRATOR**

10.1. The Company may, at any time at the discretion of the Board or its delegate(s), for the purposes of satisfying the grant of Awards, (i) issue and allot Shares to the Administrator under the Scheme Mandate Limit granted or to be granted by the Shareholders at general meetings of the Company from time to time for future awards and/or (ii) transfer to the Trust the necessary funds and instruct the Administrator to acquire Shares through on-market transactions at the prevailing market price. The Administrator shall hold the RSUs and Related Income derived from such RSUs (if applicable) on trust for the Selected Participant until the end of the relevant vesting period. When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the Award and become entitled to the RSUs, the Administrator shall transfer the relevant RSUs and Related Income derived from such Shares to the Selected Participants.

#### **11. ASSIGNMENT OF AWARDS**

11.1. Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made. Unless a waiver is granted by the Stock Exchange or otherwise permitted or required under the applicable laws and regulations, any Award shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

#### **12. VESTING OF AWARDS**

12.1. Subject to the Listing Rules, the Board or the committee of the Board or person(s) to which the Board delegated its authority may from time to time while the 2024 Restricted Share Unit Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder. The vesting date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants, the vesting date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances where:

- (a) grants of “make whole” Awards to new joiners to replace share awards or options they forfeited when leaving their previous employers;

- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
  - (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
  - (d) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;
  - (e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
  - (f) grants with a total vesting and holding period of more than twelve (12) months.
- 12.2. Within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any vesting date, the Board or its delegate(s) shall send to the relevant Selected Participant a vesting notice.
- 12.3 For the avoidance of doubt, in addition to the events set out in **Paragraph 12.1**, the vesting date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances for the Employee Participants as further set out in **Paragraphs 8.3 to 8.6** above:
- (a) a general offer as set out in **Paragraph 8.3** becomes, or is declared unconditional;
  - (b) a general offer for Shares by way of scheme of arrangement is made to all the shareholders of the Company and has been approved by the necessary number of shareholders at the requisite meetings;
  - (c) an effective resolution is passed during the term of the 2024 Restricted Share Unit Scheme for voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement as set out in **Paragraph 8.5**); or
  - (d) a compromise or arrangement, other than a scheme of arrangement contemplated in **Paragraph 8.4**, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or amalgamation of the Company and any other company(ies).

**13. PERFORMANCE TARGET**

13.1. Subject to the rules of the 2024 Restricted Share Unit Scheme, the Listing Rules and any applicable laws and regulations, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power from time to time to establish and administer performance targets (if any) that must be fulfilled by a Selected Participant before any of the Awards may be vested to such Selected Participants under such Awards. Such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Participants. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Selected Participant. The finance department of the Company shall be responsible for compiling a performance appraisal report on statistics relating Group-level performance targets and the human resources department shall be responsible for compiling a performance appraisal report based on the Group's performance appraisal results and the individual performance appraisal results, which will be submitted to the Board or such committee of the Board or person(s) delegated with its authority, for consideration and approval. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.

**14. ADJUSTMENT**

14.1. In the event of any alteration in the capital structure of the Company following the commencement of the 2024 Restricted Share Unit Scheme from any issue of shares in or other securities of the Company by way of subdivision, consolidation or reduction of the share capital or any capitalisation issue or right issue which the Board considers an adjustment as necessary under this paragraph, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2024 Restricted Share Unit Scheme for the Selected Participants. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the RSUs of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant vesting date. The Administrator shall hold Returned Shares to be applied in accordance with

the provisions of the rules of the 2024 Restricted Share Unit Scheme for the purpose of the 2024 Restricted Share Unit Scheme.

- 14.2. Any adjustments made under the foregoing paragraph must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or auditors of the Company must confirm to the Directors in writing that the adjustment satisfy the requirements of the relevant provision of the Listing Rules.

## 15. CESSATION AS AN ELIGIBLE PERSON

- 15.1. If the Employee Participant's employment or service with the Group is terminated for any reason other than for Cause (as defined below) (including by reason of resignation, retirement, death, disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause), the Board shall determine at its absolute discretion and shall notify the Selected Participant whether any unvested Award granted to such Selected Participant shall vest and the period within which such Award shall vest. For the avoidance of doubt, nothing in this sub-paragraph shall allow the vesting of any Award granted less than 12 months from the Grant Date onto an Employee Participant other than grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event. If the Board determines that such Award shall not vest, such Award shall be cancelled automatically with effect from the date on which the Employee Participant's employment or service is terminated.
- 15.2. For the purpose of the 2024 Restricted Share Unit Scheme, "Cause" means with respect to a Selected Participant, the summary termination of employment or office on any one or more of the following grounds: the Selected Participant has been guilty of misconduct, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board in its absolute discretion) on any other ground on which the relevant company in our Group would be entitled to terminate his employment or office summarily at common law or pursuant to any applicable laws or under the Selected Participant's service contract with the relevant company in the Group. Notwithstanding the foregoing, a resolution of the Board or the board of directors of the relevant subsidiary to the effect that the employment or office of a Selected Participant has or has not been terminated on one or more of the grounds specified herein shall be conclusive.

**16. LAPSE OF AWARDS**

16.1. An Award shall lapse automatically on the earliest of:

- (a) unless the Board or its delegate(s) determines otherwise at their absolute discretion, the date on which the Selected Participant ceases to be an Eligible Participant in accordance with above;
- (b) the date of the termination of Selected Participant's employment or service by the Group, for Cause (as defined above); or
- (c) the date on which the offer (or, as the case may be, revised offer) referred to in **Paragraph 8.3** closes; or
- (d) the record date for determining entitlements under the scheme of arrangement referred to in **Paragraph 8.4**;
- (e) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- (f) a Selected Participant is found to be an Excluded Participant;
- (g) a Selected Participant fails to return duly executed transfer documents prescribed by the Board and/or the Administrator for the relevant RSUs within the stipulated period;
- (h) the date on which the Selected Participant commits a breach of **Paragraph 11.1**; or
- (i) the date on which it is no longer possible to satisfy any outstanding conditions to vesting.

In the event of lapse of any Award, the Award or the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and all the RSUs or the relevant RSUs shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the 2024 Restricted Share Unit Scheme.

**17. CLAWBACK MECHANISM**

17.1. Notwithstanding the terms and conditions of the 2024 Restricted Share Unit Scheme, the Board has the authority to provide that any Award shall be subject to a clawback if any of the following events shall occur: (a) the Selected Participant is involved in serious misconduct; (b) a material misstatement in the Company's financial statements; or (c) any other clawback event implicitly or explicitly characterised in the Award Letter occurs, any

outstanding RSUs and Related Income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

#### 18. CANCELLATION OF AWARDS

- 18.1. The Board in its sole discretion may cancel a RSU granted but remained unvested with the approval of the Selected Participant of such RSUs in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.
- 18.2. RSUs may be granted to an Eligible Participant in place of his/her cancelled RSUs provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The RSUs cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

#### 19. ALTERATION OF THE 2024 RESTRICTED SHARE UNIT SCHEME

- 19.1. The Directors may from time to time in their absolute discretion alter the definition of “Eligible Participant(s)” and “Award Period” and the provisions of the 2024 Restricted Share Unit Scheme which are of a material nature or provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants provided that approval from the Shareholders in general meeting (with the Selected Participants and their associates abstaining from voting) has been obtained. Save for the above, the Board or its delegate(s) may alter the terms of the 2024 Restricted Share Unit Scheme without the approval of the Shareholders in a general meeting. No such alteration shall operate to affect adversely the terms of issue of any RSUs granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Selected Participants as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.
- 19.2. Any change to the authority of the Board to alter the terms of the 2024 Restricted Share Unit Scheme shall not be valid unless approved by the Shareholders in general meeting.
- 19.3. Any change to the terms of RSUs granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the RSUs requires such approval (except where the alterations take effect automatically under the existing provisions of the 2024 Restricted Share Unit Scheme), in accordance with the terms of the 2024 Restricted Share Unit Scheme and the Listing Rules.

19.4. The amended terms of the 2024 Restricted Share Unit Scheme and/or the RSUs must comply with the relevant requirements of Chapter 17 of the Listing Rules.

## 20. TERMINATION

20.1. The 2024 Restricted Share Unit Scheme shall terminate on the earlier of (i) the falling on the tenth (10th) anniversary date of the Adoption Date; and (ii) such date of early determination as determined by resolution in general meeting or the Board. In such event, no further Awards may be offered or granted but in all other respects the terms of the 2024 Restricted Share Unit Scheme shall remain in full force and effect in respect of Awards which are granted during the term of the 2024 Restricted Share Unit Scheme which remain unvested or which have vested but have not yet been exercised immediately prior to the termination of the 2024 Restricted Share Unit Scheme.

## 21. ADMINISTRATION OF THE RESTRICTED SHARE UNIT SCHEME

21.1. The Board shall have the power to administer the 2024 Restricted Share Unit Scheme, including the power from time to time to (i) construe and interpret the rules of the 2024 Restricted Share Unit Scheme and the terms of the Awards granted under the Restricted Share Unit Scheme; (ii) to make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the 2024 Restricted Share Unit Scheme, provided that they are not inconsistent with the rules of the 2024 Restricted Share Unit Scheme; (iii) decide how the vesting of the RSUs will be settled; (iv) grant Awards to those Eligible Participants whom it shall select from time to time; (v) determine the terms and conditions of the Awards; (vi) determine the commencement or termination date of an Eligible Participant's employment with any member of the Group; (vii) establish and administer performance targets (if any) that must be duly fulfilled by a Selected Participants under such Awards; (viii) approve the Award Letter; (ix) instruct the Administrator to apply any Returned Trust Funds to satisfy any fees payable to the Administrator; and (x) take such other steps or actions to give effect to the terms and intent of the rules of the 2024 Restricted Share Unit Scheme.

21.2. The Board may delegate the authority to administer the 2024 Restricted Share Unit Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third-party contractors to assist in the administration of the 2024 Restricted Share Unit Scheme as they think fit.

**22. DURATION**

22.1. Subject to any early termination as may be determined by the Board or by resolutions of Shareholders in general meeting, the 2024 Restricted Share Unit Scheme shall be valid and effective for (i) a term of ten (10) years commencing on the date on which the 2024 Restricted Share Unit Scheme is adopted by the Company (after which no further Awards will be granted); and (ii) thereafter for so long as there are any non-vested RSUs prior to the expiration of the 2024 Restricted Share Unit Scheme.

**23. CONDITIONS OF THE 2024 RESTRICTED SHARE UNIT SCHEME**

23.1. The 2024 Restricted Share Unit Scheme is conditional upon the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (i) approve and adopt the 2024 Restricted Share Unit Scheme; (ii) authorise the Board to grant RSUs under the 2024 Restricted Share Unit Scheme; (iii) authorise the Board to allot and issue Shares in respect of any RSUs to be granted pursuant to the 2024 Restricted Share Unit Scheme; and (iv) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all RSUs to be granted in accordance with the terms and conditions of the 2024 Restricted Share Unit Scheme.

## NOTICE OF EGM

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



### Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1022)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of Feiyu Technology International Company Ltd. 飛魚科技國際有限公司 (the “**Company**”) will be held at Senior Executive Meeting Room, 5/F, Block A, No.78 Hu’an Road, High-tech Park, Huli District, Xiamen, Fujian Province, the People’s Republic of China on Friday, 24 May 2024 at 4:00 p.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions:

#### ORDINARY RESOLUTIONS

1. **“THAT:**
  - 1.1. to approve and adopt the rules of the share option scheme of the Company, a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the chairman of this meeting thereof (the “**2024 Share Option Scheme**”), subject to and conditional upon the passing of the resolution in paragraph (a) hereinabove and the Listing Committee (the “**Listing Committee**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval to the listing of and permission to deal in the ordinary shares of the Company (or such shares as shall result from a capitalization issue, rights issue, subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) (the “**Share(s)**”), which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the 2024 Share Option Scheme;
  - 1.2. To authorise the board of directors of the Company (the “**Board**”) to administer the 2024 Share Option Scheme under which share options will be granted to the eligible participants (as defined in the 2024 Share Option Scheme) who are eligible under the 2024 Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the options in accordance with the terms of the 2024 Share

## NOTICE OF EGM

Option Scheme and the requirement of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”);

- 1.3. To authorise the Board to modify and/or amend the 2024 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2024 Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules; and
  - 1.4. Subject to paragraph 1.1 hereinabove, the Post-IPO Share Option Scheme adopted by the Company on 17 November 2014 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the 2024 Share Option Scheme.”
2. “**THAT:**
- 2.1. To approve and adopt the rules of the restricted share unit scheme of the Company, a copy of which marked “B” is produced to the meeting and for the purpose of identification signed by the chairman of this meeting thereof (the “**2024 Restricted Share Unit Scheme**”), subject to and conditional upon the Listing Committee granting approval to the listing of and permission to deal in the Shares to be issued pursuant to the vesting or exercise of any awards granted under the 2024 Restricted Share Unit Scheme;
  - 2.2. To authorise the Board to grant awards of Shares pursuant to the 2024 Restricted Share Unit Scheme and to allot and issue Shares, direct and procure the professional administrator to be appointed by the Company to (i) assist with the administration, exercise and vesting of RSUs; and (ii) transfer Shares and otherwise deal with Shares granted pursuant to the 2024 Restricted Share Unit Scheme as and when they vest or are exercised (as the case may be) and subject to the Listing Rules;
  - 2.3. To authorise the Board to modify and/or amend the 2024 Restricted Share Unit Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2024 Restricted Share Unit Scheme relating to modification and/or amendment and the requirements of the Listing Rules; and
  - 2.4. Subject to paragraph 2.1 hereinabove, the Restricted Share Units Plan II adopted by the Company on 28 May 2018 be and is hereby terminated (save with respect to any outstanding, issued and unexercised restricted share units thereof) with effect from the adoption of the 2024 Restricted Share Unit Scheme.”

## NOTICE OF EGM

3. “**THAT** the Scheme Mandate Limit (as defined in the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the eligible participants under all the share schemes of the Company (i.e., 10% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company 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 of the Company may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
4. “**THAT** the Service Provider Sublimit (as defined in the 2024 Share Option Scheme and the 2024 Restricted Share Unit 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 the share schemes of the Company (i.e. 1% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company 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 of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

By Order of the Board  
**Feiyu Technology International Company Ltd.**  
**Yao Jianjun**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 25 April 2024

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies 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 the EGM. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised on its behalf.
- (3) Where there are joint registered holders of any shares, any one of such persons may vote at the above EGM (or any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of the Company in respect of such share shall alone be entitled to vote in respect thereof.

## NOTICE OF EGM

- (4) In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (5) Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) The transfer books and Register of Members of the Company will be closed from Tuesday, 21 May 2024 to Friday, 24 May 2024, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the EGM, all duly completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 May 2024.
- (7) A form of proxy for use by shareholders at the EGM is enclosed.

*As at the date of this notice, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin and LIN Zhibin, as executive Directors; and Ms. LIU Qianli, and Messrs. LAI Xiaoling and CAO Xi, as independent non-executive Directors.*