
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kaisun Holdings Limited (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

**(1) PROPOSED ADOPTION OF THE
NEW SHARE OPTION SCHEME;
(2) PROPOSED ADOPTION OF THE
NEW SHARE AWARD SCHEME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at Unit B, 17/F, E Tat Factory Building, 4 Heung Yip Road, Wong Chuk Hang, Hong Kong on Friday, 14 July 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire.

This circular will remain on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its posting.

* For identification purposes only

CHARACTERISTICS OF GEM

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

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

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme and the New Share Award Scheme becomes unconditional
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning as defined in the GEM Listing Rules
“Auditor”	the auditors of the Company for the time being
“Award(s)”	any award(s) to be granted to Eligible Participant(s) under the New Share Award Scheme
“Award Letter”	the letter issued by the Board to the Selected Participant pursuant to an Award granted under the New Share Award Scheme containing terms and conditions of the Award
“Awarded Shares”	the Shares as awarded by the Board pursuant to the New Share Award Scheme
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“close associate(s)”	has the meaning as defined in the GEM Listing Rules
“Company”	Kaisun Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability under the Companies Act (as revised) of the Cayman Islands, the Shares of which are listed on GEM
“connected person(s)”	has the meaning as defined in the GEM Listing Rules
“core connected person(s)”	has the meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Unit B, 17/F, E Tat Factory Building, 4 Heung Yip Road, Wong Chuk Hang, Hong Kong on 14 July 2023 at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof

DEFINITIONS

“Eligible Participants”	(a) the Employee Participant(s); and (b) the Related Entity Participant(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options or Awards under the New Share Option Scheme or New Share Award Scheme respectively as inducement to enter into employment contracts with any member of the Group)
“Exercise Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Selected Participant thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Exercise Price”	the price per Share at which a Selected Participant may subscribe for Shares on the exercise of an Option
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning as defined in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grant Date”	the date on which the grant of Offer or Award is made to an Eligible Participant, being the date of an Offer Letter or Award Letter
“Group”	the Company and its subsidiaries, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	19 June 2023, being the latest practicable date for ascertaining certain information contained in this circular

DEFINITIONS

“New Share Award Scheme”	the new share award scheme proposed to be adopted by the Company at the EGM
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Letter”	the letter issued by the Board to the Selected Participant pursuant to an Option granted under the New Share Option Scheme containing terms and conditions of the Option
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) granted under the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Selected Participant, is or are entitled to exercise the Option granted to such Selected Participant (to the extent not already exercised)
“Related Entity Participant(s)”	directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company
“Selected Participant”	any Eligible Participant who accepts the Offer or Award in accordance with the terms of the New Share Option Scheme or New Share Award Scheme respectively, or his Personal Representative
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.



KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

Executive Directors:

Mr. CHAN Nap Kee, Joseph (*Chairman*)
Mr. YANG Yongcheng

Independent non-executive Directors:

Mr. LIEW Swee Yean
Dr. WONG Yun Kuen
Mr. WU Zheng

Registered office:

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in Hong Kong:*

Room 1304, 13/F.,
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Central
Hong Kong

21 June 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE
NEW SHARE OPTION SCHEME;
(2) PROPOSED ADOPTION OF THE
NEW SHARE AWARD SCHEME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to (i) provide you with details regarding the adoption of the New Share Option Scheme; (ii) provide you with details regarding the adoption of the New Share Award Scheme; and (iii) give you notice of the EGM.

* *For identification purposes only*

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Adoption of the New Share Option Scheme

The Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in its long-term planning of the granting of the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The purpose of the New 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 and 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 expected to be beneficial to the Group. The New Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants and the Related Entity Participants.

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); (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 Related Entity Participant); and (d) the amount of support, assistance, guidance, advice, effort 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, effort 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 New Share Option Scheme include: (a) the individual's skills, knowledge, experience, expertise and other relevant personal qualities; (b) their individual performance; (c) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (d) the length of their engagement with the Group; and (e) their individual contributions or potential contributions towards the development and growth of the Group.

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The Board considers that in order to show the Company's appreciation to the independent non-executive Directors' valuable contribution to the Group over the years, it is necessary to include independent non-executive Directors as Eligible Participants. The Board further considers that in order to ensure the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options, the Company will comply with the GEM Listing Rules and other applicable rules and regulations when granting the Options to the independent non-executive Directors under the New Share Option Scheme, including: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 5.09 of the GEM Listing Rules; (ii) approval by independent Shareholders will be required if any Option is to be granted to independent non-executive Directors or any of their respective associate(s) would result in the total number of new Shares issued and to be issued in respect of all Options granted (excluding any Options lapsed in accordance with the terms of the New Share Option Scheme) to such person in the period of twelve (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 15 to the GEM Listing Rules which recommends 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.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate 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 Group has joint ventures and associated companies of the Company in connection with the Group's business. The Board (including the independent non-executive Directors) considers it is important for the Company to be able (if thought fit) to deploy the equity incentives to attract, retain and/or incentivise appropriate directors and/or employees of such entities (being the Related Entity Participant(s)) in the same way as the Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of such entities as well as the Group.

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The Board (including the independent non-executive Directors) believes that, having considered the nature of the Group's operations and its relationship with the Related Entity Participants, it is important to recognise their contribution or future contribution to the Group and that the inclusion of Related Entity Participants and the criteria for the selection of such participants and the terms of grant, if any, aligns with the (i) purpose of the New Share Option Scheme; and (ii) Group's business needs and the market norm of using equity incentives to encourage Related Entity Participants to continue collaborating with the Group on a long-term basis.

The Company has sought legal advice from its legal advisers in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

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

Conditions Precedent of the New Share Option Scheme

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

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

Under the New Share Option Scheme, the Board may at its discretion and on a case by case basis specify any condition in the Offer Letter of the grant of the relevant Option which must be satisfied before an Option may be exercised including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Selected Participant under the New Share Option Scheme, and in particular, where the Board determines that the Selected Participant has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements of the New Share Option Scheme;

LETTER FROM THE BOARD

- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of the New Share Option Scheme;
- (c) conditions, restrictions or limitations relating to the achievement of operating or financial targets before an Option can be exercised;
- (d) if applicable, the satisfactory fulfilment of performance targets by the Selected Participant; and
- (e) clawback mechanism for the Company to recover or withhold any Options granted to any Selected Participant, whether in the event of serious misconduct of the Selected Participant, a material misstatement in the Company's financial statements or other circumstances.

Save as determined by the Board on a case by case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the Offer Letter of the grant of the relevant Option at the discretion of the Board, the New Share Option Scheme does not stipulate a minimum period for which an Option must be held, or any performance targets a Selected Participant is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant as each Selected Participant will play a different role and contribute in different ways to the long-term development of the Group. As such, providing the Board with the discretion to impose specific performance targets as and when appropriate depending on the role of each Eligible Participant will facilitate the Board in offering meaningful incentives to attract and retain quality and high calibre personnel that are valuable to the development of the Group.

Where performance targets are to be imposed upon Selected Participants in the Offer Letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme**”).

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Mandate Limit”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

As at the Latest Practicable Date, the number of issued Shares was 576,566,055 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 57,656,605 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the New Share Option Scheme.

In respect of the maximum entitlement of Shares to each Eligible Participant, where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associate(s) abstaining from voting in accordance with Rule 23.03D(1) of the GEM Listing Rules.

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

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

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

Explanation of the terms of the New Share Option Scheme

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

The Exercise Price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the Offer Letter of the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

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

The Board, in its sole discretion, may determine if a shorter vesting period will be allowed for a grant of Option to an Employee Participant under the following specific circumstances:

- (a) grants of “make-whole” Options to Selected Participants who newly joined the Group to replace the options or awards they forfeited when leaving the previous employer;
- (b) grants of Options with specific and objective performance-based vesting conditions provided in the rules of the New Share Option Scheme;
- (c) grants that are made in batches during a year for administrative or compliance reasons (which may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Option would have been granted);
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; and
- (e) grants of Options with a total vesting and holding period of more than twelve (12) months.

As such, the Directors are of the view that the vesting period for Options granted to Employee Participants may be less than twelve (12) months under the specific circumstances set out above is appropriate because such arrangement is in line with the requirements under the GEM Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exception circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

The Board is of the view that subject to the GEM Listing Rules and the rules of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, (a) determining the eligibility of the Eligible Participants and the Exercise Price; (b) prescribing a vesting period before Options can be exercised; (c) requiring the Eligible Participant to achieve any performance targets as may be stipulated in the Offer Letter at the grant of the relevant Option(s) before his or her Option(s) can be

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exercised; and/or (d) setting any clawback mechanism for the Company to recover or withhold any Option(s) granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentives in achieving the goals of the Group, and thereby, to achieve the overall purpose of the New Share Option Scheme. The Company will make relevant disclosures by way of announcement(s) as and when necessary to comply with Rules 23.06B(7) and (8) of the GEM Listing Rules when granting the Options to the Eligible Participants in the future.

Value of the Options

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

PROPOSED ADOPTION OF THE NEW SHARE AWARD SCHEME

Adoption of the New Share Award Scheme

The Directors considered that the adoption of the New Share Award Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in its long-term planning of the granting of the Awards to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The purpose of the New Share Award 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 Awards to the Eligible Participants as incentives and 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 expected to be beneficial to the Group. The New Share Award Scheme shall strengthen the long-term relationships that the Eligible Participants may have with the Group.

LETTER FROM THE BOARD

Pursuant to the terms of the New Share Award Scheme, Eligible Participants include the Employee Participants and the Related Entity Participants.

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); (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 Related Entity Participant); and (d) the amount of support, assistance, guidance, advice, effort 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, effort 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 New Share Award Scheme include: (a) the individual's skills, knowledge, experience, expertise and other relevant personal qualities; (b) their individual performance; (c) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (d) the length of their engagement with the Group; (e) their individual contributions or potential contributions towards the development and growth of the Group; and (f) whether granting Awards to the individual is an appropriate incentive to motivate them to continue to contribute towards the betterment of the Group.

The Board considers that in order to show the Company's appreciation to the independent non-executive Directors' valuable contribution to the Group over the years, it is necessary to include independent non-executive Directors as Eligible Participants. The Board further considers that in order to ensure the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Awards, the Company will comply with the GEM Listing Rules and other applicable rules and regulations when granting the Awards to the independent non-executive Directors under the New Share Award Scheme, including: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 5.09 of the GEM Listing Rules; (ii) approval by independent Shareholders will be required if any Award is to be granted to independent non-executive Directors or any of their respective associate(s) would result in the total number of new Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the New Share Award Scheme) to such person in the period of twelve (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 15 to the GEM Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Awards to the independent non-executive Directors.

LETTER FROM THE BOARD

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate 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 Group has joint ventures and associated companies of the Company in connection with the Group's business. The Board (including the independent non-executive Directors) considers it important for the Company to be able (if thought fit) to deploy the equity incentives to attract, retain and/or incentivise appropriate directors and/or employees of such entities (being the Related Entity Participant(s)) in the same way as the Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of such entities as well as the Group.

The Board (including the independent non-executive Directors) believes that, having considered the nature of the Group's operations and its relationship with the Related Entity Participants, it is important to recognise their contribution or future contribution to the Group and that the inclusion of Related Entity Participants and the criteria for the selection of such participants and the terms of grant, if any, aligns with the (i) purpose of the New Share Award Scheme; and (ii) Group's business needs and the market norm of using equity incentives to encourage Related Entity Participants to continue collaborating with the Group on a long-term basis.

The Company has sought legal advice from its legal advisers in respect of the New Share Award Scheme and understands that whilst the New Share Award Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Award Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

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

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Conditions Precedent of the New Share Award Scheme

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

- (a) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the New Share Award Scheme and authorising the Directors to grant Awards to Eligible Participants and to allot and issue Shares pursuant to any Awards granted under the New Share Award Scheme; and
- (b) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company pursuant to any Awards granted under the New Share Award Scheme.

Under the New Share Award Scheme, the Board may at its discretion and on a case by case basis specify any condition in the Award Letter of the grant of the relevant Award which must be satisfied before the vesting of the Award including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Selected Participant under the New Share Award Scheme, and in particular, where the Board determines that the Selected Participant has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Award shall lapse, subject to the requirements of the New Share Award Scheme;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Award, failing which the Award shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of the New Share Award Scheme;
- (c) conditions, restrictions or limitations relating to the achievement of operating or financial targets before the vesting of the Award;
- (d) if applicable, the satisfactory fulfilment of performance targets by the Selected Participant; and
- (e) clawback mechanism for the Company to recover or withhold any Awards granted to any Selected Participant, whether in the event of serious misconduct of the Selected Participant, a material misstatement in the Company's financial statements or other circumstances.

Save as determined by the Board on a case by case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the Award Letter of the grant of the relevant Award at the discretion of the Board, the New Share Award Scheme does not stipulate a minimum period for which an Award must be held, or any performance targets a Selected Participant is required to achieve before the vesting of an Award under the terms of the New Share Award Scheme. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the

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Awards under particular circumstances of each grant as each Selected Participant will play a different role and contribute in different ways to the long-term development of the Group. As such, providing the Board with the discretion to impose specific performance targets as and when appropriate depending on the role of each Eligible Participant will facilitate the Board in offering meaningful incentives to attract and retain quality and high calibre personnel that are valuable to the development of the Group.

Where performance targets are to be imposed upon Selected Participants in the relevant Award Letter of the grant of Awards, the Board will have regard to the purpose of the New Share Award Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Maximum number of Shares subject to the New Share Award Scheme

The total number of Shares which may be issued in respect of all Awards which may be granted under the New Share Award Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Award Scheme (the “**Scheme Mandate Limit**”). Awards lapsed in accordance with the terms of the New Share Award Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

As at the Latest Practicable Date, the number of issued Shares was 576,566,055 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon the vesting of all Awards to be granted under the New Share Award Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 57,656,605 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the New Share Award Scheme.

In respect of the maximum entitlement of Shares to each Eligible Participant, where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associate(s) abstaining from voting in accordance with Rule 23.03D(1) of the GEM Listing Rules.

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

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

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

Explanation of the terms of the New Share Award Scheme

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

The purchase price of the Awarded Shares, if any, pursuant to an Award granted under the New Share Award Scheme shall be a price solely determined by the Board subject to the rules of the New Share Award Scheme, and the Board may specify in the Award Letter at the grant of the relevant Award the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Awards granted to any Eligible Participants. The vesting period of Awards granted under the New Share Award Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Award Scheme.

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

The Board, in its sole discretion, may determine if a shorter vesting period will be allowed for a grant of Award to an Employee Participant under the following specific circumstances:

- (a) grants of “make-whole” Awards to Selected Participants who newly joined the Group to replace the options or awards they forfeited when leaving the previous employer;
- (b) grants of Awards with specific and objective performance-based vesting conditions provided in the rules of the New Share Award Scheme;

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- (c) grants that are made in batches during a year for administrative or compliance reasons (which may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Award would have been granted);
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Award may vest evenly over a period of twelve (12) months; and
- (e) grants of Awards with a total vesting and holding period of more than twelve (12) months.

As such, the Directors are of the view that the vesting period for Awards granted to Employee Participants may be less than twelve (12) months under the specific circumstances set out above is appropriate because such arrangement is in line with the requirements under the GEM Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exception circumstances where justified, which is in line with the purpose of the New Share Award Scheme.

The Board is of the view that subject to the GEM Listing Rules and the rules of the New Share Award Scheme, by giving the Board the sole discretion to offer Awards in such flexible terms, in particular, (a) determining the eligibility of the Eligible Participants and the purchase price, if any; (b) prescribing a vesting period for the Awards; (c) requiring the Eligible Participant to achieve any performance targets as may be stipulated in the Award Letter at the grant of the relevant Award(s) before his or her Award(s) can be vested; and/or (d) setting any clawback mechanism for the Company to recover or withhold any Award(s) granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentives in achieving the goals of the Group, and thereby, to achieve the overall purpose of the New Share Award Scheme. The Company will make relevant disclosures by way of announcement(s) as and when necessary to comply with Rules 23.06B(7) and (8) of the GEM Listing Rules when granting the Awards to the Eligible Participants in the future.

Value of the Awards

The Directors consider that it is not appropriate to state the value of all the Award(s) that can be granted under the New Share Award Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Award Scheme given that the variables which are crucial for the calculation of the value of such Award(s) cannot be determined. The variables which are critical for the determination of the value of such Award(s) include the purchase price payable for the Awarded Shares, if any, whether or not Awards will be granted under the New Share Award Scheme, and if so, the number of Awards to be granted and the timing of the granting of such Awards, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Awards and whether or not such Awards, if granted, will be taken up by the holder(s) of the Award(s). Accordingly, the Directors are of the view that the value of the Awards depends on a number of variables which are either difficult to

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ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Awards will not be meaningful and may be misleading to Shareholders in the circumstances.

GENERAL

Application for Listing

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

Competing Interest

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

Document on display

A copy of the New Share Option Scheme and the New Share Award Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.kaisun.hk for a period of not less than 14 days before the date of the EGM and is also made available for inspection at the EGM.

EGM

A notice convening the EGM to be held at Unit B, 17/F, E Tat Factory Building, 4 Heung Yip Road, Wong Chuk Hang, Hong Kong, on Friday, 14 July 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of, considering and, if thought fit, passing the resolutions set out therein.

ACTION TO BE TAKEN

The Notice of EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herein. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M 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 holding the EGM or any adjournment. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM, or any adjourned meeting thereof should they so wish.

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VOTING BY POLL

Under Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the EGM will also be taken by poll. A poll results announcement will be made by the Company after the EGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATION

The Directors consider that the proposed adoption of the New Share Option Scheme and the New Share Award Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the EGM Notice at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlements to attend and vote at the EGM, the transfer books and the register of members of the Company will be closed from Tuesday, 11 July 2023 to Friday, 14 July 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the EGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Hong Kong no later than 4:30 p.m. on Monday, 10 July 2023.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

MISCELLANEOUS

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

On behalf of the Board
Kaisun Holdings Limited
CHAN Nap Kee, Joseph
Chairman

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme. Unless otherwise indicated, capitalised terms used in this appendix refer to the terms as defined in the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of Eligible Participants for their contribution to the Group, and provide the Eligible Participants with an opportunity to obtain a proprietary interest in the Company, to provide incentives to the Eligible Participants to continue contributing to the Company, and enable the Company to attract, recruit, and motivate high-calibre employees and attract human resources that are valuable to the Company.

2. CONDITIONS

The Scheme shall take effect subject to and conditional upon:

- (a) approval of the Shareholders is obtained through the passing of resolutions by the Shareholders to adopt the New Share Option Scheme and authorise the Board to grant Options under the Scheme and to allot, issue and deal with Shares granted pursuant to the exercise of any Options granted in accordance with the terms and conditions of the Scheme; and
- (b) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Limit to be allotted and issued by the Company pursuant to the grant of any Options and exercise thereof in accordance with the terms and conditions of the Scheme.

3. CONDITIONS APPLICABLE TO THE GRANTING AND VESTING OF OPTIONS

To the extent of any Applicable Laws, rules or regulations, the granting or vesting of Options will be subject to the full compliance with or satisfaction of all such practices, requirements, conditions or obligations irrespective of whether they are set out in the Offer Letter or the New Share Option Scheme.

4. DURATION AND TERMINATION

- 4.1 The Scheme will take effect when all the conditions set out in paragraph 2 above have been satisfied and will terminate or expire (as the case may be) on the earlier of:

- 4.1.1 its termination pursuant to the paragraph 4.2 below; and

4.1.2 ten (10) years commencing on the Adoption Date,
the “**Scheme Period**”.

4.2 The Scheme may be terminated at any time:

4.2.1 by the approval of the Shareholders; or

4.2.2 by the Board when it resolves that no further Options will be granted under the Scheme,

provided that such termination shall not affect any subsisting rights of any Selected Participant(s).

4.3 The Scheme will be valid and effective for the Scheme Period. After the end of the Scheme Period, no further grant of Options shall be made but the Scheme will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Options, vesting of any Options, and exercise of any Options or otherwise as may be required in accordance with the Scheme.

5. ADMINISTRATION

5.1 The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the GEM Listing Rules. The Board may appoint a committee as the administrator in relation to the Scheme on such terms as the Board may determine.

5.2 In determining the eligibility of the Eligible Participants, the Board will consider all relevant factors as appropriate, including, among others:

5.2.1 In respect of Employee Participant(s), (a) their skills, knowledge, experience, expertise and other relevant personal qualities; (b) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (c) their contribution made or expected to be made to the growth of the Group and the positive impacts on the Group’s business and development; (d) their educational and professional qualifications, and industry knowledge; and (e) whether granting Options to them is an appropriate incentive to motivate them to continue contributing towards the betterment of the Group.

5.2.2 In respect of Related Entity Participant(s), (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group’s business development; (b) the period of engagement or employment by the Group; (c) the number, scale and nature of the project the Related Entity Participant is involved with; (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (e) whether the Related Entity Participant has assisted

the Group in tapping into new markets and/or increased its market share; and (f) the materiality and nature of the business relation of the Group's Subsidiaries and/or Associates and the Related Entity Participant's contribution to such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

- 5.3 Subject to all Applicable Laws, rules and regulations, the Board has the power at its discretion and based on such factors and circumstances as it considers relevant appropriate to effect and carry out the granting of Options under the Scheme including to determine the terms and conditions of each Option granted, the Exercise Price and Exercise Period, the right to determine clawback provisions in certain events, and make such other decisions or determinations as it shall deem appropriate in relation to the granting of an Option.

6. OPERATION OF THE SCHEME

- 6.1 The Board may, from time to time at its absolute discretion, select any Eligible Participant (other than any Excluded Participant) to be a Selected Participant and grant to such Selected Participant Options at nil consideration.
- 6.2 In granting the Options, the Board will issue an Offer Letter to the Selected Participants specifying the terms and conditions of the Offer Letter (including, but not limited to, the number of Options, the number of Shares under the Option, the Exercise Price, the Exercise Period, and the Acceptance Period). Selected Participants must undertake to hold the Option on the terms and conditions on which it is granted, and agree to be bound by the Scheme Rules. The Board is also entitled to impose any vesting conditions, as it deems appropriate, and shall inform such Selected Participant of the relevant vesting conditions of the Option.
- 6.3 The Board will not grant any Option to Selected Participants:
- 6.3.1 after any inside information has come to the Company's knowledge until such inside information has been published in accordance with the GEM Listing Rules;
- 6.3.2 on any day on which the Company's financial results are published and
- 6.3.2.1 during the period of sixty (60) days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

6.3.2.2 during the period of sixty (60) days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless there are circumstances of the Company that fall within the exceptions under the GEM Listing Rules;

6.3.3 who is a Director who is prohibited from dealing in Shares pursuant to Rules 5.46–5.48 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company;

6.4 Any grant of Options to a Director, chief executive or substantial shareholder (or any of their respective associate(s)) must be approved by the independent non-executive Directors of the Company (excluding any Director who is the proposed Selected Participant of such grant). Where any Options are granted to an independent non-executive Director of the Company or a substantial shareholder (or any of their respective associate(s)) and would result in the Shares issued and to be issued in respect of all Options to them in the twelve (12)-month period immediately preceding the Grant Date to exceed 0.1% of the number of shares in issue as at the Grant Date, a circular containing the details of such grant shall be despatched to the Shareholders which includes the information required under the GEM Listing Rules. Such grants are subject to the approval of the Shareholders in general meeting.

6.5 The Board shall notify Selected Participants by issuing an Offer Letter which sets out the terms and conditions of the Option and the Acceptance Period of such Options. Selected Participants are required to confirm their acceptance of the grant and their securities account details for the purposes of effecting the transfer of the Options. Failure to return an Acceptance Notice before the expiry of the Acceptance Period will result in the automatic lapsing of the Option. The acceptance of Options offered to Selected Participants shall not be subject to an acceptance fee or other fees payable for the acceptance of the Options.

6.6 Vesting of Options

6.6.1 The Board or the Remuneration Committee or the Committee (if authorised by the Board) is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Options. The Board may waive any vesting conditions and set performance targets to be achieved before the vesting of the Options.

6.6.2 The minimum vesting period in respect of any Options is twelve (12) months, and the Board or the Remuneration Committee or the Committee (if authorised by the Board) shall have the authority to determine a shorter vesting period in accordance with the terms and conditions of the Scheme Rules.

7. EXERCISE PRICE

- 7.1 Subject to paragraph 7.2 below, the Exercise Price shall be a price determined by the Board and notified to a Selected Participant and shall be at least the higher of:
- 7.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; and
 - 7.1.2 the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date.
- 7.2 For the purposes of paragraph 7.1, the date of the Board meeting at which the grant was proposed shall be taken to be the Grant Date for such Option, and the provisions of paragraph 7.1 shall apply accordingly.

8. EXERCISE OF OPTIONS

- 8.1 An Option shall be personal to a Selected Participant and shall not be transferable nor assignable unless a waiver is granted by the Stock Exchange.
- 8.2 An Option shall be vested after the vesting conditions have been satisfied (or waived by the Board).
- 8.3 An Option may be exercised in whole or in part by the Selected Participant (or his/her Personal Representatives) at any time before the expiry of the Exercise Period by delivering a notice in writing in a form approved by the Board, stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice, the Company shall issue and allot the relevant Shares to the Selected Participant.
- 8.4 Subject to the terms of grant of any Option, an Option may be exercised by the Selected Participant (or his/her Personal Representatives) at any time during the Exercise Period, provided that:
- 8.4.1 Where the holder of an outstanding Option ceases to be an Eligible Participant for any reason except for paragraph 8.4.2 or 8.4.3 below, Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine.
 - 8.4.2 Where the Selected Participant of an outstanding Option is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Option in full or at all, the Option may continue to be exercised by the Selected Participant.

- 8.4.3 Where the Selected Participant of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Selected Participant.
- 8.4.4 If a general offer by way of a take-over has been made to all Shareholders and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Selected Participant, in the event that the Selected Participant is an employee or a director of the Group, such Selected Participant may exercise the Option to its full extent or to the extent specified in such notice.
- 8.4.5 If a general offer by way of a scheme of arrangement has been made to all Shareholders and such scheme has been duly approved at the requisite meetings, the Company shall give notice thereof to the Selected Participant, and in the event that the Selected Participant is an employee or a director of the Group, such Selected Participant may, by delivering a notice in writing to the Company within seven (7) days of such Shareholders' approval, exercise the Option to its full extent or to the extent specified in such notice.
- 8.4.6 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after despatch such notice to each member of the Company and for the Company to give notice thereof to all Selected Participants who are employees or directors of the Group and thereupon, each such Selected Participant (or his/her Personal Representatives) shall be entitled to exercise all or any of their Options at any time not later than seven (7) days prior to the proposed general meeting of the Company by giving notice in writing to the Company.
- 8.4.7 In the event of a compromise or arrangement, other than a scheme of arrangement, between the Company and its members or creditors being proposed for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Selected Participants who are employees or directors of the Group on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and such Selected Participant (or his/her Personal Representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all their Options.
- 8.5 The Shares to be issued and allotted upon the exercise of an Option shall be subject to the Company's constitutional documents and shall rank *pari passu* in all respects with fully-paid Shares in issue. A Share issued and allotted upon the exercise of an Option shall not carry voting rights until the name of the Selected Participant has been duly entered on the register of members of the Company as a holder thereof.

9. TRANSFER OF OPTIONS

Except for the transmission of an Option on the death of a Selected Participant to his/her Personal Representative(s), the Selected Participant cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party or otherwise dispose of any of his/her Options or purport to do any of the foregoing. If a Selected Participant does any of the foregoing, whether voluntarily or involuntarily, the Option will immediately and automatically lapse.

10. LAPSE OF OPTIONS

10.1 Unless the Board exercises its discretion, an Option will automatically lapse and will not vest on the earlier of:

10.1.1 the expiry of the Exercise Period;

10.1.2 the failure to satisfy the vesting conditions, or such conditions are not waived by the Board;

10.1.3 the Selected Participant is found to be an Excluded Participant; or

10.1.4 the Selected Participant fails to obtain all necessary consents or file all necessary registrations referred to in paragraph 17.4 below within thirty (30) days from the date of the written notice to exercise the vested Option.

10.2 Subject to the terms and conditions of the Scheme Rules, Options may also lapse in the following circumstances:

10.2.1 death, ill health, redundancy, retirement or transfer of position(s);

10.2.2 resignation or termination of employment, office, services or engagement;

10.2.3 misconduct;

10.2.4 general offer to acquire Shares (whether by way of a takeover offer, share repurchase offer, privatisation proposal by a scheme of arrangement between the Company and its members or otherwise in like manner);

10.2.5 voluntary winding-up of the Company; or

10.2.6 compromise or arrangement with creditors.

10.3 If a Selected Participant, being an Employee Participant whose employment is terminated by the Employer by reason of termination without notice or payment in lieu of notice, or the Selected Participant has been convicted of any criminal offence involving their integrity or honesty, or the Selected Participant having done something which brings the Group into disrepute or causes damages to the Group, any outstanding Options not yet vested shall immediately be forfeited, unless the Board determines otherwise in their absolute discretion.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

11.1 The total number of Shares which may be allotted and issued in respect of all Options to be granted under the Scheme and other scheme options and awards must not exceed ten per cent (10%) of the Shares in issue as at the Adoption Date (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)) (the “**Scheme Limit**”).

11.2 Subject to the approval of the Shareholders, the Company may after three (3) years from the Adoption Date (or from the date of the approval of the Shareholders for the last refreshment) “refresh” the Scheme Limit provided that the total number of Shares which may be allotted and issued in respect of all Options to be granted under the Scheme and other scheme options and awards to be granted under the Scheme Limit as “refreshed” must not, respectively, exceed ten per cent (10%) of the Shares in issue at the date of the resolution to approve the “refreshed” Scheme Limit (the “**Refresher Date**”). Options and other scheme options and awards previously granted (whether outstanding, cancelled, lapsed (according to the Scheme or other schemes) or exercised) will not be regarded as utilised for the purpose of calculating the Scheme Limit as “refreshed”.

11.3 Subject to a specific approval of the Shareholders, the Board may grant Shares pursuant to Options granted to Selected Participants specifically identified by the Board beyond the Scheme Limit, provided the Shares in excess of the Scheme Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought.

11.3.1 Except the approval of the shareholders is obtained pursuant to paragraph 11.3 above in general meeting with such Eligible Participant and his/her close associate(s) (or associate(s) if the Eligible Participant is a connected person) abstaining from voting and subject to the GEM Listing Rules including but not limited to rules relating to the grant of options/awards to connected persons, the Board cannot grant any Option (“**Triggering Option**”) to any Selected Participant which, if vested and exercised, would result in that Selected Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her upon exercise of all Options and other scheme options

and awards granted to him/her in the twelve (12)-month period immediately preceding the Grant Date of the Triggering Option to exceed one per cent (1%) of the number of Shares in issue as at that Grant Date.

12. REORGANISATION OF CAPITAL STRUCTURE

12.1 In the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company, the Company will make corresponding adjustments (as necessary and in accordance with Chapter 23 of the GEM Listing Rules) to:

12.1.1 the number of Shares subject to the Scheme Limit (as refreshed from time to time); and/or

12.1.2 the number of Shares pursuant to the exercise of the outstanding Options.

12.2 Any adjustments will be made on the basis that each Selected participant will have the same proportion of Shares pursuant to the exercise of the Option they would have been entitled immediately prior to the event, the aggregate Exercise Price of the Option payable by the Selected Participant on the full exercise of any Options shall remain as nearly as possible the same as (but not greater than) it was prior to the event, and the Shares will not be issued at less than its nominal value.

12.3 In respect of any adjustments required due to a reorganisation of the capital structure of the Company, the Company will seek a written certification from an independent financial adviser or the Auditors that the adjustments satisfy the conditions as set out in the Scheme Rules.

12.4 Adjustments are deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event; and (ii) if necessary, the issue of the written certification mentioned in paragraph 12.3 above.

13. ALTERATIONS TO THE SCHEME RULES

13.1 The Board may change any provisions of the Scheme Rules, except prior approval of the Shareholders is required for any alterations to the terms and conditions of the Scheme Rules which are of a material nature, including the definitions of “Eligible Participant(s)”, “Exercise Period”, and “Selected Participant(s)”, and alterations to the provisions of the Scheme Rules relating to matters governed by Rule 23.03 of the GEM Listing Rules to the advantage of Eligible Participants. Such amendments must not operate to adversely affect the terms of any Option granted or agreed to be granted prior to such alteration except with a majority consent of the Selected Participants.

13.2 The Board may in its absolute discretion decide that any amendments to the provisions of the Scheme Rules will apply to all or some members of the Group.

14. ALTERATIONS OF TERMS AND CONDITIONS OF OPTIONS GRANTED

14.1 Any change to the terms of any Option granted to a Selected Participant must be approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting if the initial grant of the Options was approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting.

14.2 All amended terms will comply with the relevant requirements of all Applicable Laws, rules and regulations including but not limited to the GEM Listing Rules.

15. RIGHTS OF SELECTED PARTICIPANTS

The Shares issued and allotted upon the exercise of an Option will be subject to the Articles and will rank equally in all respects with fully paid Shares in issue on the date when the name of the Selected Participant is registered on the register of members of the Company. No rights are tied to the Options, and any voting or dividend right, or any other right of a Shareholder will not be tied to the Shares until the Shares underlying the Option are allotted and issued to the Selected Participant upon exercise of the Option and their name has been registered in the register of members of the Company in respect of the Shares.

16. CANCELLATION OF OPTIONS

The Board may cancel any Options with the consent of the relevant Selected Participant, as the Board may in its absolute discretion see fit and in a manner that complies with all Applicable Laws, rules and regulations.

17. MISCELLANEOUS

17.1 The Company will bear the costs of establishing and administering the Scheme.

17.2 The Scheme does not form part of any contract of employment or services between any member of the Group and any Eligible Participant, nor does it confer on any person any legal or equitable right against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group.

17.3 The Company will provide the terms of the Scheme to all Selected Participants upon joining the Scheme.

17.4 Eligible Participants are responsible for obtaining any governmental, regulatory or other official consent and filings of necessary registrations to allow themselves to participate in the Scheme.

- 17.5 Eligible Participants must pay all taxes and discharge all other liabilities to which they may become subject as a result of their participation in the Scheme.
- 17.6 Each of the Company and the relevant Employer may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Shares upon the exercise of the Options.
- 17.7 A Selected Participant who is a Director may, subject to the Articles and the terms and conditions of the Scheme, notwithstanding their interest, vote on any Board resolution concerning the Scheme (other than in respect of their own participation) and may retain any benefit under the Scheme.
- 17.8 The Scheme and all Options granted will be governed by and construed in accordance with the laws of Hong Kong. Hong Kong courts shall be the exclusive venue for resolving disputes relating to or arising from the Scheme.

The following is a summary of the principal terms of the New Share Award Scheme to be approved and adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the New Share Award Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Award Scheme. Unless otherwise indicated, capitalised terms used in this appendix refer to the terms as defined in the New Share Award Scheme:

1. PURPOSE

The purpose of the New Share Award Scheme is to recognise the contribution or future contribution of Eligible Participants for their contribution to the Group, and provide the Eligible Participants with an opportunity to obtain a proprietary interest in the Company, to provide incentives to the Eligible Participants to continue contributing to the Company, and enable the Company to attract, recruit, and motivate high-calibre employees and attract human resources that are valuable to the Company.

2. CONDITIONS

The Scheme shall take effect subject to and conditional upon:

- (a) approval of the Shareholders is obtained through the passing of resolutions by the Shareholders to adopt the New Share Award Scheme and authorise the Board to grant Awards under the Scheme and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Scheme; and
- (b) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Limit to be allotted and issued by the Company pursuant to the grant of any Awards in accordance with the terms and conditions of the Scheme.

3. CONDITIONS APPLICABLE TO THE GRANTING AND VESTING OF AWARDS

To the extent of any Applicable Laws, rules or regulations, the granting or vesting of Awards will be subject to the full compliance with or satisfaction of all such practices, requirements conditions or obligations irrespective of whether they are set out in the Award Letter or the New Share Award Scheme.

4. DURATION AND TERMINATION

- 4.1 The Scheme will take effect when all the conditions set out in paragraph 2 above have been satisfied and will terminate or expire (as the case may be) on the earlier of:
 - 4.1.1 its termination pursuant to the paragraph 4.2 below; and
 - 4.1.2 ten (10) years commencing on the Adoption Date,

the “**Scheme Period**”.

4.2 The Scheme may be terminated at any time:

4.2.1 by the approval of the Shareholders; or

4.2.2 by the Board when it resolves that no further Awards will be made under the Scheme,

provided that such termination shall not affect any subsisting rights of any Selected Participant(s).

4.3 The Scheme will be valid and effective for the Scheme Period. After the end of the Scheme Period, no further grant of Awards shall be made but the Scheme will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Awards, vesting of any Awarded Shares or otherwise as may be required in accordance with the Scheme.

5. ADMINISTRATION

5.1 The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the GEM Listing Rules. The Board may appoint a committee as the administrator in relation to the Scheme on such terms as the Board may determine.

5.2 In determining the eligibility of the Eligible Participants, the Board will consider all relevant factors as appropriate, including, among others:

5.2.1 In respect of Employee Participant(s), (a) their skills, knowledge, experience, expertise and other relevant personal qualities; (b) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (c) their contribution made or expected to be made to the growth of the Group and the positive impacts on the Group’s business and development; (d) their educational and professional qualifications, and industry knowledge; and (e) whether granting Awards to them is an appropriate incentive to motivate them to continue contributing towards the betterment of the Group.

5.2.2 In respect of Related Entity Participant(s), (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group’s business development; (b) the period of engagement or employment by the Group; (c) the number, scale and nature of the project the Related Entity Participant is involved with; (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (e) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (f) the materiality and nature of the business relation of the Group’s

Subsidiaries and/or Associates and the Related Entity Participant's contribution to such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

- 5.3 Subject to all Applicable Laws, rules and regulations, the Board has the power at its discretion and based on such factors and circumstances as it considers relevant appropriate to effect and carry out the granting of Awards under the Scheme including to determine the terms and conditions of each Award granted, the right to determine clawback provisions in certain events, and make such other decisions or determinations as it shall deem appropriate in relation to the granting of an Award.

6. OPERATION OF THE SCHEME

- 6.1 The Board may, from time to time at its absolute discretion, select any Eligible Participant (other than any Excluded Participant) to be a Selected Participant and grant to such Selected Participant Awarded Shares at nil consideration.

- 6.2 In granting the Awards, the Board will issue an Award Letter to the Selected Participants specifying the terms and conditions of the Award Letter (including, but not limited to, the number of Awarded Shares, the purchase price, if any, and the Acceptance Period). Selected Participants must undertake to hold the Award on the terms and conditions on which it is granted, and agree to be bound by the Scheme Rules. The Board is also entitled to impose any vesting conditions, as it deems appropriate, and shall inform such Selected Participant of the relevant vesting conditions of the Award.

- 6.3 The Board will not grant any Award to Selected Participants:

6.3.1 after any inside information has come to the Company's knowledge until such inside information has been published in accordance with the GEM Listing Rules;

6.3.2 on any day on which the Company's financial results are published and

6.3.2.1 during the period of sixty (60) days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

6.3.2.2 during the period of sixty (60) days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless there are circumstances of the Company that fall within the exceptions under the GEM Listing Rules;

6.3.3 who is a Director who is prohibited from dealing in Shares pursuant to Rules 5.46–5.48 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company;

6.4 Any grant of Awards to a Director, chief executive, independent non-executive Director of the Company or substantial shareholder (or any of their respective associate(s)) must be approved by the independent non-executive Directors of the Company (excluding any Director who is the proposed Selected Participant of such grant).

6.5 Where any Awards are granted to:

6.5.1 a Director (other than an independent non-executive director) or chief executive, or any of their respective associate(s), would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the Scheme Rules) to him/her in the twelve (12)-month period immediately preceding the Grant Date to exceed 0.1% of the number of Shares in issue as at the Grant Date, or

6.5.2 an independent non-executive Director of the Company or a substantial shareholder, or any of their respective associate(s), would result in the Shares issued and to be issued in respect of all Awards and other scheme options and Awards granted (excluding any Awards lapsed in accordance with the Scheme Rules) to him/her in the twelve (12)-month period immediately preceding the Grant Date to exceed 0.1% of the number of Shares in issue as at the Grant Date,

a circular containing the details of such grant shall be despatched to the Shareholders which includes the information required under the GEM Listing Rules. Such grants are subject to the approval of the Shareholders in general meeting.

6.6 The Board shall notify Selected Participants by issuing an Award Letter which sets out the terms and conditions of the Award and the Acceptance Period of such Awards. Selected Participants are required to confirm their acceptance of the grant and their securities account details for the purposes of effecting the transfer of the Awarded Shares. Failure to return an Acceptance Notice before the expiry of the Acceptance Period will result in the automatic lapsing of the Award.

6.7 Vesting of Awarded Shares

6.7.1 The Board or the Remuneration Committee or the Committee (if authorised by the Board) is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares. The Board may waive any vesting conditions and set performance targets to be achieved before the vesting of the Awarded Shares.

6.7.2 The minimum vesting period in respect of any Awarded Shares is twelve (12) months, and the Board or the Remuneration Committee or the Committee (if authorised by the Board) shall have the authority to determine a shorter vesting period in accordance with the terms and conditions of the Scheme Rules.

7. TRANSFER OF AWARDS

Prior to the Vesting Date, Selected Participants cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party or otherwise dispose of any of their Awards or purport to do any of the foregoing.

8. LAPSE OF AWARDS

8.1 Unless the Board exercises its discretion, an Award will automatically lapse and will not vest on the earlier of:

8.1.1 the failure to satisfy the vesting conditions, or such conditions are not waived by the Board;

8.1.2 the Selected Participant is found to be an Excluded Participant; or

8.1.3 the Selected Participant fails to obtain all necessary consents or file all necessary registrations referred to in paragraph 15.4 below within thirty (30) days from the date of the Vesting Notice.

8.2 Subject to the terms and conditions of the Scheme Rules, Awards may also lapse in the following circumstances:

8.2.1 death, ill health, redundancy, retirement or transfer of position(s);

8.2.2 resignation or termination of employment, office, services or engagement;

8.2.3 misconduct;

8.2.4 general offer to acquire Shares (whether by way of a takeover offer, share repurchase offer, privatisation proposal by a scheme of arrangement between the Company and its members or otherwise in like manner);

8.2.5 voluntary winding-up of the Company; or

8.2.6 compromise or arrangement with creditors.

- 8.3 If a Selected Participant, being an Employee Participant whose employment is terminated by the Employer by reason of termination without notice or payment in lieu of notice, or the Selected Participant has been convicted of any criminal offence involving their integrity or honesty, or the Selected Participant having done something which brings the Group into disrepute or causes damages to the Group, any outstanding Awarded Shares not yet vested shall immediately be forfeited, unless the Board determines otherwise in their absolute discretion.

9. CANCELLATION OF AWARDS

The Board may cancel any Awards with the consent of the relevant Selected Participant, as the Board may in its absolute discretion see fit and in a manner that complies with all Applicable Laws, rules and regulations.

10. RIGHTS OF SELECTED PARTICIPANTS

The Awarded Shares will be subject to the Articles and will rank equally in all respects with fully paid Shares in issue on the date when the name of the Selected Participant is registered on the register of members of the Company. No rights are tied to the Awarded Shares until the Awarded Shares are allotted and issued to the Selected Participant and their name has been registered in the register of members of the Company in respect of the Awarded Shares.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 11.1 The total number of Shares which may be allotted and issued in respect of all Awards to be granted under the Scheme and other scheme options and awards must not exceed ten per cent (10%) of the Shares in issue as at the Adoption Date (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)) (the “**Scheme Limit**”).
- 11.2 Subject to the approval of the Shareholders, the Company may after three (3) years from the Adoption Date (or from the date of the approval of the Shareholders for the last refreshment) “refresh” the Scheme Limit provided that the total number of Shares which may be allotted and issued in respect of all Awards to be granted under the Scheme and other scheme options and awards to be granted under the Scheme Limit as “refreshed” must not, respectively, exceed ten per cent (10%) of the Shares in issue at the date of the resolution to approve the “refreshed” Scheme Limit (the “**Refresher Date**”). Awards and other scheme options and awards previously granted (whether outstanding, cancelled, lapsed (according to the Scheme or other schemes) or exercised) will not be regarded as utilised for the purpose of calculating the Scheme Limit as “refreshed”.

11.3 Subject to a specific approval of the Shareholders, the Board may grant Awards to Selected Participants specifically identified by the Board beyond the Scheme Limit, provided the Awards in excess of the Scheme Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought.

11.3.1 Except the approval of the shareholders is obtained pursuant to paragraph 11.3 above in general meeting with such Eligible Participant and his/her close associate(s) (or associate(s) if the Eligible Participant is a connected person) abstaining from voting and subject to the GEM Listing Rules including but not limited to rules relating to the grant of options/awards to connected persons, the Board cannot grant any Award (“**Triggering Award**”) to any Selected Participant which, if vested, would result in that Selected Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her upon subscription of all Awards and other scheme options and awards granted to him/her in the twelve (12)-month period immediately preceding the Grant Date of the Triggering Award to exceed one per cent (1%) of the number of Shares in issue as at that Grant Date.

12. REORGANISATION OF CAPITAL STRUCTURE

12.1 In the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company, the Company will make corresponding adjustments (as necessary and in accordance with Chapter 23 of the GEM Listing Rules) to:

12.1.1 the number of Shares subject to the Scheme Limit (as refreshed from time to time); and/or

12.1.2 the number of Awarded Shares pursuant to the outstanding Awards.

12.2 Any adjustments will be made on the basis that each Selected Participant will have the same proportion of Awarded Shares they would have been entitled immediately prior to the event, and the Shares will not be issued at less than its nominal value.

12.3 In respect of any adjustments required due to a reorganisation of the capital structure of the Company, the Company will seek a written certification from an independent financial adviser or the Auditors that the adjustments satisfy the conditions as set out in the Scheme Rules.

12.4 Adjustments are deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event; and (ii) if necessary, the issue of the written certification mentioned in paragraph 12.3 above.

13. AMENDMENTS TO THE SCHEME RULES

13.1 The Board may change any provisions of the Scheme Rules, except prior approval of the Shareholders is required for any alterations to the terms and conditions of the Scheme Rules which are of a material nature, including the definitions of “Eligible Participant(s)” and “Selected Participant(s)”, and alterations to the provisions of the Scheme Rules relating to matters governed by Rule 23.03 of the GEM Listing Rules to the advantage of Eligible Participants. Such amendments must not operate to adversely affect the terms of any Award granted or agreed to be granted prior to such alteration except with a majority consent of the Selected Participants.

13.2 The Board may in its absolute discretion decide that any amendments to the provisions of the Scheme Rules will apply to all or some members of the Group.

14. ALTERATIONS OF TERMS AND CONDITIONS OF AWARDS GRANTED

14.1 Any change to the terms of any Award granted to a Selected Participant must be approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting if the initial grant of the Awards was approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting.

14.2 All amended terms will comply with the relevant requirements of all Applicable Laws, rules and regulations including but not limited to the GEM Listing Rules.

15. MISCELLANEOUS

15.1 The Company will bear the costs of establishing and administering the Scheme.

15.2 The Scheme does not form part of any contract of employment or services between any member of the Group and any Eligible Participant, nor does it confer on any person any legal or equitable right (other than those constituting the Awards themselves) against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group.

15.3 The Company will provide the terms of the Scheme to all Selected Participants upon joining the Scheme.

15.4 Eligible Participants are responsible for obtaining any governmental, regulatory or other official consent and filings of necessary registrations to allow themselves to participate in the Scheme.

15.5 Eligible Participants must pay all taxes and discharge all other liabilities to which they may become subject as a result of their participation in the Scheme.

- 15.6 Each of the Company and the relevant Employer may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Awards.
- 15.7 A Selected Participant who is a Director may, subject to the Articles and the terms and conditions of the Scheme, notwithstanding their interest, vote on any Board resolution concerning the Scheme (other than in respect of their own participation) and may retain any benefit under the Scheme.
- 15.8 The Scheme and all Awards granted will be governed by and construed in accordance with the laws of Hong Kong. Hong Kong courts shall be the exclusive venue for resolving disputes relating to or arising from the Scheme.



KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Kaisun Holdings Limited (the “**Company**”) will be held on 14 July 2023 (Friday) at 10:30 a.m. at Unit B, 17/F, E Tat Factory Building, 4 Heung Yip Road, Wong Chuk Hang, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”) the rules of which have been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for identification purpose, the rules of the New Share Option Scheme and are hereby approved and adopted and the directors (the “**Directors**”) of the Company be and are hereby authorised to grant options and to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme; and

* *For identification purposes only*

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(b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution.”

2. “**THAT:**

(a) subject to and conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the granting of any Awards which may be granted under the new share award scheme of the Company (the “**New Share Award Scheme**”) the rules of which have been produced to the Meeting and marked “B” and initialed by the chairman of the Meeting for identification purposes, the rules of the New Share Award Scheme and are hereby approved and adopted and the Directors be and are hereby authorised to grant Awards and to allot, issue and deal in the Shares as may be required to be allotted and issued upon the acceptance of any Awards granted and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Award Scheme; and

(b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution.”

On behalf of the Board
Kaisun Holdings Limited
CHAN Nap Kee, Joseph
Chairman

Hong Kong, 21 June 2023

As at the date of this notice, the executive Directors are Mr. Chan Nap Kee, Joseph, and Mr. Yang Yongcheng; the independent non-executive Directors are Mr. Liew Swee Yean, Dr. Wong Yun Kuen, and Mr. Wu Zheng.

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CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register will be closed during the following period, and no transfers of shares will be effected during such period:

The Register will be closed from Tuesday, 11 July 2023 to Friday, 14 July 2023 (both days inclusive), during which period no share transfers will be effected. In order to determine the identity of the Shareholders who are entitled to attend the Company's forthcoming annual general meeting, all 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, 10 July 2023.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M 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.

This proxy instrument is published on the websites of the Company at www.kaisun.hk and HKEXnews at www.hkexnews.hk.

3. Details of the principal terms of the New Share Option Scheme and the New Share Award Scheme are set out in Appendix I and II to the circular dated 21 June 2023 respectively.