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

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

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**FSE LIFESTYLE SERVICES LIMITED**

**豐盛生活服務有限公司**

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

**(Stock Code: 331)**

- (1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
(2) RETIREMENT AND RE-ELECTION OF DIRECTORS;  
(3) PROPOSED APPOINTMENT OF A NEW INED;  
(4) CHANGE IN COMPOSITION OF BOARD COMMITTEES;  
(5) PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME;  
AND  
(6) NOTICE OF THE AGM**

A notice convening the AGM to be held at 17th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 21 November 2025 at 11:30 a.m. is set out on pages N-1 to N-7 of this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

28 October 2025

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## DEFINITIONS

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

“Adoption Date”	21 November 2025, being the date on which the Share Option Scheme is proposed to be adopted by the Company at the AGM
“AGM”	the annual general meeting of the Company to be convened and held at 17th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 21 November 2025 at 11:30 a.m. and any adjournment thereof, the notice of which is set out on pages N-1 to N-7 of this circular
“Articles”	the articles of association of the Company, as amended from time to time
“Award”	award of Share(s) granted or to be granted under any Share Scheme adopted and to be adopted by the Company from time to time
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy back Shares, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing the relevant resolution at the AGM
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended from time to time
“Company”	FSE Lifestyle Services Limited (豐盛生活服務有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	has the meaning as defined in “Appendix IV — Summary of the principal terms of the Share Option Scheme — Share Option Scheme — (2) Who may join” in this circular
“Employee Participant(s)”	has the meaning as defined in “Appendix IV — Summary of the principal terms of the Share Option Scheme — Share Option Scheme — (2) Who may join” in this circular
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted, issued and dealt with or sold or transferred out of treasury under the General Mandate
“FSE Holdings”	FSE Holdings Limited (豐盛創建控股有限公司), a company incorporated in the Cayman Islands with limited liability, which is beneficially owned as to 63% by Sino Spring Global Limited, 18% by Power Victory Global Limited, 7% by Frontier Star Limited, 7% by Master Empire Group Limited, 4% by Equal Merit Holdings Limited and 1% by Lagoon Treasure Limited, and one of the controlling shareholders of the Company
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares or sell or transfer treasury shares up to a maximum of 20% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED”	independent non-executive director of the Company
“Latest Practicable Date”	24 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“Offer”	an offer for the grant of an Option made in accordance with the terms of the Share Option Scheme
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Related Entity Participant(s)”	has the meaning as defined in “Appendix IV — Summary of the principal terms of the Share Option Scheme — Share Option Scheme — (2) Who may join” in this circular
“Remuneration Committee”	the remuneration committee of the Board
“Scheme Mandate Limit”	has the meaning as defined in “Appendix IV — Summary of the principal terms of the Share Option Scheme — Share Option Scheme — (3) Maximum number of Shares” in this circular
“Senior Managers”	a senior manager disclosed in the Company’s annual report as required under paragraph 12 of Appendix D2 to the Listing Rules (as may be amended from time to time)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix IV to this circular
“Share Scheme(s)”	share option schemes and/or share award schemes involving issuance of new Shares or transfer of treasury shares adopted and to be adopted by the Company from time to time, including the Share Option Scheme
“Shareholder(s)”	holder(s) of any Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“Subscription Price”	the price per Share at which a grantee may subscribe for the Shares on the exercise of an Option, as determined in accordance with the terms of the Share Option Scheme
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“treasury shares”	has the meaning ascribed to it under the Listing Rules. For the purpose of the Share Option Scheme, new Shares include treasury shares and the issue of new Shares includes the transfer of treasury shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



**FSE LIFESTYLE SERVICES LIMITED**

**豐盛生活服務有限公司**

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

**(Stock Code: 331)**

***Non-executive Directors:***

Dr. Cheng Kar Shun, Henry (*Chairman*)  
Mr. Poon Lock Kee, Rocky

***Executive Directors:***

Mr. Doo Wai Hoi, William (*Chairman*)  
Mr. Lam Wai Hon, Patrick  
*(Executive Vice-Chairman and Chief Executive Officer)*  
(also acts as alternate director to Dr. Cheng Kar Shun, Henry)  
Mr. Doo William Junior Guilherme  
Mr. Lee Kwok Bong  
Mr. Soon Kweong Wah  
Dr. Cheng Chun Fai  
Mr. Chan Ju Wai

***Independent Non-executive Directors:***

Mr. Kwong Che Keung, Gordon  
Mr. Hui Chiu Chung, Stephen  
Mr. Lee Kwan Hung, Eddie  
Dr. Tong Yuk Lun, Paul  
Ms. Leung Wan Chong Christine

***Registered office:***

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Head office and principal place  
of business in Hong Kong:***

Units 801–810, 8th Floor  
Chevalier Commercial Centre  
8 Wang Hoi Road  
Kowloon Bay, Kowloon  
Hong Kong

28 October 2025

*To the Shareholders*

Dear Sir or Madam

- (1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;  
(2) RETIREMENT AND RE-ELECTION OF DIRECTORS;  
(3) PROPOSED APPOINTMENT OF A NEW INED;  
(4) CHANGE IN COMPOSITION OF THE BOARD COMMITTEES;  
(5) PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME;  
AND  
(6) NOTICE OF THE AGM**

**INTRODUCTION**

This circular provides you with details of the resolutions that will be proposed at the forthcoming AGM and to give you all the information reasonably necessary to enable you to make an informed decision on the matters to be considered at the AGM, which include:

- (a) the granting of the General Mandate, the Buy-back Mandate, and the Extension Mandate;

## LETTER FROM THE BOARD

- (b) the retirement and re-election of Directors in accordance with the Articles;
- (c) the appointment of a new INED; and
- (d) the adoption of a new Share Option Scheme.

The notice of the AGM is set out on pages N-1 to N-7 of this circular.

### GRANT OF GENERAL MANDATE, BUY-BACK MANDATE AND EXTENSION MANDATE

At the last annual general meeting of the Company held on 25 November 2024, ordinary resolutions were passed to the Directors the general mandate, the buy-back mandate and the extension mandate. These mandates will expire at the conclusion of the upcoming AGM. Therefore, ordinary resolutions will be proposed at the AGM to grant the following new mandates to the Directors:

- (1) **The General Mandate:** to exercise the powers of the Company to allot, issue and otherwise deal with Shares or sell or transfer treasury shares up to a maximum of 20% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing of such resolution;
- (2) **The Buy-back Mandate:** to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose up to a maximum of 10% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of passing of such resolution; and
- (3) **The Extension Mandate:** to increase the total number of Shares which may be allotted, issued and dealt with or sold or transferred out of treasury under the General Mandate by adding to it the number of any Shares bought back under the Buy-back Mandate.

The General Mandate, the Buy-back Mandate and the Extension Mandate will each expire (a) at the conclusion of the next annual general meeting of the Company following the AGM; or (b) at the end of the period within which the next annual general meeting of the Company is required by the Companies Act or the Articles to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company, whichever is the earliest.

Based on 450,000,000 Shares in issue as at the Latest Practicable Date and on the basis that is no change in the number of the issued Shares during the period from the Latest Practicable Date up to and including the date of the AGM:

- (1) subject to the passing of the proposed resolution granting the General Mandate to the Directors, the maximum number of Shares which may be allotted, issued and dealt with or sold or transferred out of treasury under the General Mandate will be 90,000,000 Shares, representing 20% of the Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date; and



## LETTER FROM THE BOARD

- (2) subject to the passing of the proposed resolution granting the Buy-back Mandate to the Directors, the maximum number of Shares which may be bought back under the Buy-back Mandate will be 45,000,000 Shares, representing 10% of the Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date.

The Directors believe that these general mandates provide the Board with the flexibility to manage the Company's capital structure efficiently and are in the best interests of the Company and the Shareholders. The Board has no immediate plans to issue or buy back any Shares pursuant to the General Mandate or the Buy-back Mandate.

An explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, providing further details on the Buy-back Mandate is set out in **Appendix I** to this circular.

### RETIREMENT AND RE-ELECTION OF DIRECTORS

#### Retirement of Board-Appointed Director

Pursuant to Article 109 of the Articles, any Director appointed by the Board holds office only until the next annual general meeting following their appointment, at which time he is eligible for re-election.

Accordingly, Mr. Chan Ju Wai, who was appointed as a Director by the Board on 1 April 2025, will hold office until the conclusion of the AGM. Being eligible, Mr. Chan Ju Wai will offer himself for re-election at the AGM. As stipulated in Article 109, Mr. Chan Ju Wai is not taken into account in determining the Directors who are to retire by rotation.

#### Directors Retiring by Rotation

Separately, in accordance with article 105(A) of the Articles, at least one-third of the Directors are required to retire by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election as Director and shall continue to act as a Director throughout the meeting at which he retires.

Article 105(B) of the Articles stipulates that the count of retiring Directors shall first include any Director who wishes to retire and not offer himself for re-election. Dr. Tong Yuk Lun, Paul ("**Dr. Tong**"), an INED, has notified the Board of his intention to retire at the AGM and, accordingly, will not be offering himself for re-election. Upon his retirement with effect from the close of the AGM, Dr. Tong will cease to be a member of the Remuneration Committee, the Nomination Committee and the ESG Committee of the Company. Dr. Tong has confirmed that he has no disagreement with the Board and that there are no other matters concerning his retirement that need to be brought to the attention of the Shareholders. The Board extends its sincere gratitude to him for his dedicated service and valuable contributions.

To fulfil the requirement for one-third of the Board to retire and in accordance with article 105(B) of the Articles, the remaining Directors to retire are those who have been longest in office since their last election. Accordingly, Mr. Lam Wai Hon, Patrick, Mr. Doo

## LETTER FROM THE BOARD

William Junior Guilherme, Dr. Cheng Chun Fai and Mr. Poon Lock Kee, Rocky will also retire by rotation at the AGM. They are eligible and will offer themselves for re-election at the AGM.

After reviewing the Board's composition, the Nomination Committee nominated all the retiring Directors, i.e. Mr. Lam Wai Hon, Patrick, Mr. Doo William Junior Guilherme, Dr. Cheng Chun Fai, Mr. Chan Ju Wai and Mr. Poon Lock Kee, Rocky, for the Board's recommendation to stand for re-election by the Shareholders at the AGM. The nominations were made in accordance with the nomination policy adopted by the Board in December 2018, having taken into account the respective contributions these Directors could provide to the Board and with due regard to the objective criteria for the benefits of diversity as set out in the board diversity policy of the Company. The Board, upon the recommendation of the Nomination Committee, has proposed the re-election of all the above retiring Directors at the AGM.

The biographical details and other information of all Directors proposed for re-election at the AGM as required under the Listing Rules, are set out in **Appendix II** to this circular.

### **APPOINTMENT OF A NEW INED**

#### **Proposed Appointment of Mr. Martin Nicholas Hadaway as an INED**

To fill the vacancy arising from the retirement of Dr. Tong to be effective from the conclusion of the AGM, the Board, upon the recommendation of the Nomination Committee, proposes the appointment of Mr. Martin Nicholas Hadaway (“**Mr. Hadaway**”) as an INED, effective from the conclusion of the AGM subject to approval by the Shareholders at the AGM.

In assessing the proposed appointment, the Board has received from Mr. Hadaway a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. In the confirmation, Mr. Hadaway has confirmed:

- (a) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules;
- (b) that he does not have any past or present financial or other interest in the business of the Company or its subsidiaries, or any connection with any core connected person of the Company; and
- (c) that there are no other factors that may affect his independence.

The Nomination Committee has reviewed Mr. Hadaway's qualifications, experience, and independence. Taking into account the Nomination Committee's recommendation and the confirmation received, the Board considers Mr. Hadaway to be independent and believes he has the requisite character, integrity, and experience to fulfill the role of an INED.

The biographical details and other information of Mr. Hadaway as required under the Listing Rules, are set out in **Appendix III** to this circular.

## LETTER FROM THE BOARD

### CHANGE IN COMPOSITION OF BOARD COMMITTEES

Consequent upon the retirement of Dr. Tong as an INED upon the conclusion of the AGM and the proposed appointment of Mr. Hadaway as an INED, the Board will also implement changes to the composition of its committees.

Dr. Tong will cease to be a member of the Remuneration Committee, the Nomination Committee and the ESG Committee of the Company following the conclusion of the AGM.

To fill the vacancy on the Remuneration Committee arising from the retirement of Dr. Tong as an INED upon the conclusion of the AGM, Mr. Kwong Che Keung, Gordon, a current INED, will be appointed as a member of the Remuneration Committee with effect from the conclusion of the AGM as announced in the Company's announcement dated 26 September 2025.

Accordingly, subject to the approval by the Shareholders at the AGM of the proposed appointment of Mr. Hadaway as an INED, the composition of the Board committees will be as follows with effect from the conclusion of the AGM:

Director	Audit Committee	Remuneration Committee	Nomination Committee	Executive Committee	ESG Committee
Mr. DOO Wai Hoi, William	/	/	/	C	/
Mr. LAM Wai Hon, Patrick	/	M	M	M	/
Mr. DOO William Junior Guilherme	/	M	M	M	/
Mr. LEE Kwok Bong	/	/	/	M	M
Mr. SOON Kweong Wah	/	/	/	M	M
Dr. CHENG Chun Fai	/	/	/	M	C
Mr. CHAN Ju Wai	/	/	/	M	/
Mr. KWONG Che Keung, Gordon	C	M	/	/	/
Mr. HUI Chiu Chung, Stephen	M	C	M	/	/
Mr. LEE Kwan Hung, Eddie	M	M	C	/	/
Ms. LEUNG Wan Chong Christine	M	/	M	/	M

*Notes:*

C: Chairman of the relevant Board committees

M: Member of the relevant Board committees

## LETTER FROM THE BOARD

### PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME

#### Rationale for the Share Option Scheme

The Company's existing share option scheme (the "**Existing Scheme**"), which was adopted on 20 November 2015, has a term of 10 years and will expire and terminate on 19 November 2025.

Upon the expiry of the Existing Scheme, the Board will no longer be able to grant any new options to attract, retain, and motivate key employees and other eligible participants. To ensure the Company continues to have a competitive and essential tool to align the interests of its key personnel with those of the shareholders, the Board proposes to seek Shareholders' approval at the AGM to adopt the Share Option Scheme, which will be valid for a period of ten (10) years from the Adoption Date.

A summary of the principal terms of the Share Option Scheme, which has been prepared in accordance with the requirements of Chapter 17 of the Listing Rules, is set out in **Appendix IV** to this circular.

The Existing Scheme will remain in effect until its expiry.

As at the Latest Practicable Date:

- No option has ever been granted under the Existing Scheme. The available scheme limit under the Existing Scheme was 45,000,000 Shares.
- The Company had no intention to grant any options under the Existing Scheme.
- The Company has no Share Schemes other than the Existing Scheme.
- The best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the Share Option Scheme that would require them to abstain from voting on the resolution in relation thereto at the AGM.

#### Purpose and Operation of the Share Option Scheme

The purposes of the Share Option Scheme are (i) to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Group.

The Company is allowed to issue new Shares and/or utilise existing treasury shares (if any) to satisfy grants of the Options under the Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles. As at the Latest Practicable Date, the Company had no treasury shares and had no intention to use treasury shares for the Share Option Scheme, if applicable.

## LETTER FROM THE BOARD

### Conditions for Adoption

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

- (i) the passing of an ordinary resolution by the Shareholders in the AGM to approve the adoption of the Share Option Scheme and to authorise the Board to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares or transfer treasury shares out of treasury pursuant to the exercise of any Options granted under the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, Shares to be issued pursuant to the exercise of Options granted under the Share Option Scheme.

### Eligible Participants and Basis of Eligibility

Eligible Participants under the Share Option Scheme include any Employee Participant, non-executive directors and independent non-executive directors of the Company and its subsidiaries, and Related Entity Participant.

#### *Basis of Eligibility of Eligible Participants in General*

The eligibility of any of the Eligible Participant to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group, taking into account the experience of the Eligible Participants on the Group's business, the length of service of the Eligible Participants with the Group, the amount of contribution the Eligible Participants has made or is likely to make towards the success of the Group and such other factors as the Board may at its discretion consider appropriate.

#### *Justification for Including Related Entity Participants and compliance with note to Rule 12.02(2)(f)*

In compliance with the note to Rule 17.02(2)(f) of the Listing Rules, this section provides the basis for the inclusion of Related Entity Participants as eligible grantees under the Share Option Scheme and sets out the views of the independent non-executive Directors thereon.

#### *1. Alignment with the Group's Business Needs and Industry Norms*

The Board considers the ability to grant Options to Related Entity Participants to be crucial for the Group's long-term success. The Group's core businesses — Property & Facility Management, City Essential Services, and E&M — are heavily reliant on strategic partnerships, complex project collaborations, and access to specialized expertise that may reside within the Group's wider corporate structure, including its holding companies, fellow subsidiaries, and associated companies.

## LETTER FROM THE BOARD

It is an established industry norm for groups with diversified service lines and extensive corporate networks to foster deep collaboration across entities to secure large-scale contracts, drive innovation, and achieve operational synergies. Therefore, incentivizing key individuals within these related entities, who are in a position to materially influence the Group's business, aligns directly with the Group's operational and strategic needs. The grant of Options serves to align their interests with those of the Shareholders, fostering a stable, long-term, and mutually beneficial relationship that goes beyond a standard contractual arrangement.

The Directors (including the independent non-executive Directors) consider that the inclusion of the Related Entity Participants in the Share Option Scheme is in line with the Company's business needs and the purposes of the Share Option Scheme, is fair and reasonable and in the long term interests of the Company and the Shareholders as a whole, and the criteria for the election of Eligible Participants align with the purpose of the Share Option Scheme, based on the following reasons:

- (a) **Strengthening Loyalty and Alignment:** the grant of Options to Related Entity Participants would strengthen their loyalty to the Group and provide incentives for a higher degree of their participation and involvement in promoting the development and growth of business of the Group and maintaining a stable and long-term relationship with the Group. Through the grant of Options, the interest of such Related Entity Participants will be aligned with that of the Group in promoting the growth and development of the Group's business;
- (b) **Recognising Valuable Contributions:** despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants nonetheless could be valuable human resources to the Group given their potential corporate and collaborative relationships and therefore contributions to the Group's business, reputation, operations and/or performance. Therefore, it is important for the Group to have the flexibility to recognise the contribution of such Related Entity Participants by giving them incentive through their participation in the Share Option Scheme. The Board considers that the Company should have the flexibility to grant Options to Related Entity Participants as incentives or rewards for their contributions to the Group if potential Related Entity Participants are identified in the future; and
- (c) **Alternative to Cash Compensation:** the inclusion of Related Entity Participants in the Share Option Scheme allows the Group to use options as an alternative to cash compensation, reducing immediate compensation expenses while providing a flexible mechanism to incentivize and recognize the contributions of non-employees.

## LETTER FROM THE BOARD

### *2. Criteria of Eligibility of Related Entity Participants*

In determining the criteria of eligibility of Related Entity Participants, the Board would consider factors such as (i) the degree of his involvement in and/or cooperation with the Group; (ii) the length of collaborative relationship established with the Group; (iii) the amount of support, assistance, guidance, advice, efforts and contributions he has given or are likely to give towards the success of the Group; (iv) his participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group; and (v) 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. As such, the Company would only grant Options to Related Entity Participants who have a high level of involvement and contribution to the Group, such that he will be in a position to influence the Group's business, reputation, operations and/or performance.

To ensure that grants align with the purpose of the Share Option Scheme and the interests of Shareholders, the Board, upon the recommendation of the Remuneration Committee, will have the authority to specify the terms and conditions of any Options granted. This includes the imposition of specific and measurable performance targets, vesting schedules, and other conditions which are directly relevant to the participant's role and their expected contribution to the Group. This governance mechanism ensures that the value of any grant is earned through the creation of tangible value for the Company.

Given that the Board has the authority to select the appropriate participants of the Related Entity Participant that would align with the business needs and/or development of the Group and to specify the terms and conditions in respect of any Options that may be granted, including performance targets relevant to the Related Entity Participant's roles and responsibilities, the Board (including the independent non-executive Directors) is of the view that such will serve to protect the value of the Company as well as achieve the purposes of motivating the Related Entity Participant to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the Board (including the independent non-executive Directors) considers the categories of the Related Entity Participant and the criteria in determining the Related Entity Participant are in line with the Company's business need and industry norm and the terms of grants (such as vesting requirements and performance targets, if any) align with the purpose of the Share Option Scheme.

## LETTER FROM THE BOARD

### 3. *Disclosure on Historical Grants: A Reflection of Strategic Evolution*

The Board confirms that no Options were granted under the Existing Scheme, which is due to expire on 19 November 2025. This absence of grants was not an oversight but a direct reflection of the Group's strategic priorities and operational focus during that period.

- **Past Focus: Foundational Growth and Internal Execution**

During the lifespan of the Existing Scheme, the Group's primary objective was to build a strong foundation through organic growth. The Group's efforts were concentrated on consolidating core business operations, refining internal processes, and developing the capabilities of our direct employees. Consequently, the Group's incentive structures were appropriately focused on rewarding internal teams responsible for direct execution and operational excellence. The types of large-scale, cross-entity collaborations that would warrant equity-based incentives for non-employees like the Related Entity Participant were not a central pillar of the Group's strategy at that time.

- **Current and Future Focus: Strategic Partnerships and Inorganic Expansion**

The Group has now evolved and is entering a more dynamic phase of strategic expansion. The Group's future growth is increasingly dependent on:

- (a) **Inorganic Growth:** Successfully executing and integrating acquisitions, such as the insurance brokerage or property management operations described in the illustrative scenarios below.
- (b) **Strategic Alliances:** Forming joint ventures and partnerships to access new technologies, markets, and specialized expertise.
- (c) **Group-wide Synergy:** Leveraging the relationships and capabilities that exist within the Company's holding company and fellow subsidiaries to secure landmark contracts and create value.

In this new context, the success of the Group is critically linked to the contributions of key individuals within the Group related entities who drive these initiatives. The absence of historical grants, therefore, is not an indication that such incentives are unnecessary; rather, it underscores a fundamental shift in the Group's growth strategy. The Share Option Scheme with inclusion of the Related Entity Participants is being proactively designed to provide the Board with an essential and flexible tool to secure, motivate, and reward the pivotal contributions from Related Entity Participants that will be indispensable to achieving the Group's future strategic objectives.



## LETTER FROM THE BOARD

### 4. *Illustrative Scenarios*

No option has ever been granted under the Existing Scheme. However for illustrative purpose and to provide concrete context, the following scenarios illustrate how the Board would apply these criteria when Options are granted to Related Entity Participants in the future.

- **Scenario 1: Securing Trophy Assets for the Property Management Portfolio**

**Situation:** A director of the Group's associated company, leveraging his long-standing relationship with a major real estate developer, is instrumental in helping the Group secure the prestigious and highly profitable facility and property management contracts for the Group in respect of the developer's portfolio of two residential estates.

**Situation:** An executive of the Group's fellow subsidiary, leveraging his long-standing relationship with several commercial property owners, is instrumental in helping the Group secure the facility and property management contracts for the Group in respect of the commercial properties of the commercial property owners.

**Application of Criteria:** These are prime examples for applying criterion **(iii) immense support** that led to a substantial **(iv) benefit** for the Group in the form of a high-profile, long-term revenue stream.

- **Scenario 2: Driving Post-Acquisition Synergy in Insurance Brokerage**

**Situation:** Following the acquisition of an insurance brokerage company in the People's Republic of China to add a complementary service line, the successful retention and expansion of its client base depend on the active cooperation of a director of the Group's associate company. His personal relationships with major corporate clients and his leadership over the team of brokers are critical to prevent client and staff attrition and to facilitate cross-selling opportunities with the Group's existing property management clients.

**Application of Criteria:** The Board would grant Options to this kind of Related Entity Participants based on their **(i) pivotal involvement** in the post-acquisition integration. The grant would be structured to incentivize their **(iii) continued contribution** towards realizing the full value of the acquisition and achieving the **(iv) planned commercial synergies**, such as cross-selling insurance products to the Group's property management or other business portfolio.

## LETTER FROM THE BOARD

- **Scenario 3: Securing Large-Scale E&M Services Contracts**

**Situation:** An executive from the holding company of the Company, who has extensive experience and strong relationships with hotel and commercial property owners in China, provides instrumental assistance that enables the Group to successfully bid for and win contracts for E&M services.

**Application of Criteria:** This scenario exemplifies how the Board would assess (v) **the materiality of the business relations** with the fellow subsidiary and the specific contribution of this kind of Related Entity Participants which directly benefited the Group's core business expansion. The grant would recognize the significant (iii) **support and assistance** provided and the (iv) **tangible benefits** (i.e., securing a landmark contract) brought to the Group through this cross-entity synergy.

### **Views of the Independent Non-Executive Directors**

Having considered the justifications and framework detailed above, and in accordance with the requirements of the note to Rule 17.02(2)(f) of the Listing Rules, the independent non-executive Directors are of the view that:

- (a) the proposed category of Related Entity Participants is in line with the Group's specific business needs and consistent with the industry norm, given the collaborative nature of the property management, city services, and E&M sectors;
- (b) the criteria for the selection of Related Entity Participants are structured, appropriate, and align with the Share Option Scheme's purpose of incentivizing contributions that enhance the Group's growth and value; and
- (c) the ability for the Board to impose terms of grants, such as vesting requirements and performance targets, provides a robust framework to align the interests of the Related Entity Participants with those of the Company and the Shareholders, ensuring that rewards are commensurate with contributions.

Accordingly, the independent non-executive Directors consider the inclusion of Related Entity Participants under the Share Option Scheme to be fair, reasonable, and in the long-term interests of the Company and the Shareholders as a whole.

### **Scheme Mandate Limit**

The maximum total number of Shares which may be issued or transferred out of treasury upon the exercise of all options (including the Options) and Awards to be granted under the Share Option Scheme and any other Share Schemes must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares, if any) as at the Adoption Date. As at the Latest Practicable Date, there were an aggregate of 450,000,000 Shares in issue. Assuming there is no issue or repurchase of Shares from the Latest Practicable Date to the date of the AGM on which the Share Option Scheme is expected to be conditionally approved and adopted by the Shareholders, the maximum number of Shares that can be issued or transferred

## LETTER FROM THE BOARD

out of treasury upon the exercise of the options (including the Options) and Awards granted under the Share Option Scheme and any other Share Schemes is 45,000,000 Shares, representing 10% of the Shares in issue (excluding treasury shares, if any).

### **Vesting Period**

Pursuant to the Share Option Scheme, the relevant vesting period shall not be less than twelve (12) months.

There could be a shorter vesting period at the discretion of the Board or the Remuneration Committee (as the case maybe) under each of the following circumstances in relation to grant to the Employee Participants:

1. grants of “make-whole” rewards to new Employee Participants to replace the share awards they forfeited when leaving the previous employers;
2. grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
3. grants with performance-based vesting conditions in lieu of time-based vesting criteria; (*Note (i)*)
4. grants that are made in batches during a year for administrative and 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 date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements; (*Note (ii)*)
5. grants with a mixed or accelerated vesting schedule such as where the Options vest evenly over a period of twelve (12) months; and
6. grants of Options to Employee Participants with a total vesting and holding period of more than twelve (12) months.

Such discretion gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; and (ii) attract talents or reward exceptional performers with accelerated vesting. These circumstances are also considered by the Stock Exchange to be justifiable reasons for having a shorter vesting period as set out in the Consultation Conclusions relating to the Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the purpose of the Share Option Scheme.

## LETTER FROM THE BOARD

*Notes:*

- (i) Performance-based vesting conditions may be imposed instead of time-based vesting criteria depending on individual circumstances such as the Eligible Participant being an outstanding performer who has fulfilled the performance targets imposed in less than 12 months, or where the Group hopes to recruit and/or retain talent taking into account of business needs of the Group, changing market situations and industry competition. Performance-based vesting conditions require the grantee to meet certain performance target, which may be related to the revenue and/or profitability and/or the business goals of the Group or any business unit of the Group to be assessed based on the audited accounts or management account of the Group or the related business unit, or other method as the Board may determine in its absolute discretion.
- (ii) The administrative or compliance requirements reasons contemplated may include, for example, there might be delays in rewarding certain Employee Participants for their performance while going through the administrative process and obtaining necessary approvals (therefore requiring to wait for a subsequent batch). In such cases, the Options may be vested earlier to reflect the otherwise earlier time of grant to put the grantees in the same position as they would have been in had the offer been made earlier. The Board therefore considers that such arrangements to reward the Employee Participants for their contributions and performance is in line with the purposes of the Share Option Scheme.

### **Performance Target and Clawback Mechanism**

The Share Option Scheme provides for a clawback mechanism which sets out the circumstances in which the Options granted prior to being exercised may be subject to clawback if, among other things, the grantee commits misconduct (details of which are set out in Appendix IV to this circular) or there is any material misstatement(s) in the consolidated financial statements of the Company.

Unless otherwise determined by the Board and specified in the Offer letter to a grantee, there is no performance target that needs to be achieved by the grantee before an Option can be exercised nor subject to clawback.

The Share Option Scheme sets out the qualitative description of possible performance targets related to financial and non-financial parameters of the Group and/or individual performance indicators (as set out in Appendix IV to this circular) and allows discretion for the Board or the Remuneration Committee to determine whether any performance targets will be specified in respect of each Option on a case-by-case basis, for the purpose of motivating grantees to strive for the future development of the Group. As each grantee has a different position or role with respect to the Group and may contribute to the Group differently in terms of nature, extent or significance, it may not always be appropriate to impose a generic set of performance targets for each Option. Therefore, the Share Option Scheme does not prescribe performance targets that must be met before each Option may vest. However, the Board or the Remuneration Committee would specify the conditions including any performance targets for each Option in the relevant notice to the grantee. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets will be imposed on each Option in light of the specific circumstances of each grantee.

## LETTER FROM THE BOARD

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

The Company would assess the contributions of the grantees to the Group based on their impact on the Group's strategic objectives and overall performance (including but not limited to performance assessment where the grantee is an employee of the Group, and individual performance evaluation if otherwise), with reference to, for example, the financial performance (e.g. operating margin, cash flow, revenue) of the business in which the Eligible Participant is involved and the operational performance of the business in which the Eligible Participant is involved (e.g. product development or release schedules, productivity improvement). Assessment of the Eligible Participants would be conducted yearly or periodically as appropriate, and the length of assessment would be with reference to the role of the Eligible Participants and the nature of business in which it is involved.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution, thereby allowing the incentive and talent retention purpose to be better achieved. Further, by allowing the Company to grant Options under the Share Option Scheme at a price which will be determined on a fair basis according to market value of the Shares and to impose clawback conditions and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the Share Option Scheme. The Board considers that the clawback mechanism aligns with the purpose of the Share Option Scheme as it would not be beneficial to the Group for the grantee to continue to benefit from the Options yet to be exercised under the circumstances that would trigger the clawback mechanism.

### **Exercise Price**

The exercise price for any Share under the Share Option Scheme shall be a price determined by the Board at its absolute discretion and notified to each grantee and shall not be less than the highest of: (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day; (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and (c) (where applicable) the nominal value of a Share. The Directors consider that such basis will serve to preserve the value of the Company and at the same time encourage the Eligible Participants to acquire proprietary interests in the Company.

## **LETTER FROM THE BOARD**

The Board considers that as the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that the grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted under the Share Option Scheme and in turn benefiting the Company and the Shareholders as a whole. As such, the Board considers that the provision in relation to the exercise price of an option aligns with the purpose of the Share Option Scheme as set out above.

### **Voting and Administration**

No Director has a material interest and is required to abstain from voting for the resolutions to approve the adoption of the Share Option Scheme. None of the Shareholders is required to abstain from voting for such resolutions at the AGM pursuant to the Listing Rules and/or the Articles. As at the Latest Practicable Date, the Board had not identified any specific grantee or made any immediate plan to make grants of Options.

In the event that the Company will appoint a trustee for the administration of the Share Option Scheme, the trustee will be independent of the Company and its connected person, and none of the Directors will be the trustee of the Share Option Scheme or will have any direct or indirect interest in the trustees of the Share Option Scheme.

### **Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

The Share Option Scheme is intended to be offered to selected Eligible Participants only. An offer to a person who is in the employment of the Company is exempted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong, as amended from time to time) (“C(WUMP)O”). For other categories of Eligible Participants, the grant of Options is being made to a limited number of persons who are selected by the Board on the basis of their contribution or expected contribution to the Group. The Directors, having taken legal advice, consider the grant of Options under the Share Option Scheme to be a private arrangement and not an offer to the public.

Accordingly, the Directors have been advised that the Company is not required to issue a prospectus or register any document with the Registrar of Companies in Hong Kong under the C(WUMP)O in connection with the Share Option Scheme.

### **DOCUMENT ON DISPLAY**

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

## LETTER FROM THE BOARD

### ACTIONS TO BE TAKEN

Set out on pages N-1 to N-7 of this circular is a notice convening the AGM at which ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate;
- (b) the re-election of Directors;
- (c) the appointment of Mr. Hadaway as an INED; and
- (d) the adoption of the Share Option Scheme.

Whether or not you intend to attend the AGM in person, you are requested to complete and deposit the accompanying form of proxy in accordance with the instructions printed thereon, together with the power of attorney or other authority (if any) under which the form of proxy is signed or its notarially certified copy, with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

### RECOMMENDATIONS

The Board considers that all proposed resolutions are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends that Shareholders vote **IN FAVOUR** of all resolutions to be proposed at the AGM.

### RESPONSIBILITY STATEMENT

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

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the **appendices** to this circular.

**LETTER FROM THE BOARD**

**MISCELLANEOUS**

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

Yours faithfully  
By order of the Board  
**FSE Lifestyle Services Limited**  
**Lam Wai Hon, Patrick**  
*Executive Vice-Chairman and Chief Executive Officer*



This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Buy-back Mandate to the Directors.

## **1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-backs of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 450,000,000 Shares in issue and the Company had no treasury shares.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that there is no change in the number of the issued Shares during the period from the Latest Practicable Date up to and including the date of the AGM, the maximum number of Shares which may be bought back under the Buy-back Mandate will be 45,000,000 Shares, representing 10% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the Latest Practicable Date.

If the Company buy back Shares pursuant to the Buy-back Mandate, the Company may (i) cancel the bought back Shares and/or (ii) hold such Shares in treasury, subject to market conditions and the capital management needs of the Company at the relevant time such buy back of Shares are made. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the ordinary resolution set out in agenda item No. 5 of the Notice of the AGM and made in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

To the extent that any treasury Shares are deposited with CCASS pending resale, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in the Company's own name as treasury shares. These measures may include approval by the Board that (i) the Company will not (or will procure its broker not to) give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS; (ii) in the case of dividends or distributions, the Company will withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or

distributions; and (iii) take any other appropriate measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

### **3. REASONS FOR THE BUY-BACKS**

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Depending on market conditions and funding arrangements at the time, Shares bought back for cancellation may lead to an enhancement of the net assets value per Share of the Company and/or earnings per Share. If the Shares bought back are held by the Company in treasury, they may be resold to raise capital or utilised for other purposes. Share bought back will only be made when the Directors believe that such buy backs will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF BUY-BACKS**

Buy-backs made pursuant to the Buy-back Mandate may be funded out of funds legally available for the purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands. The Company is prohibited from buying back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any buy-backs by the Company may be made out of the Company's profits or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back or, if so authorised by the Articles and subject to the Companies Act, out of capital. Any premium payable on a redemption or buy-back over the par value of the relevant Shares to be bought back must be provided for out of profit of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Act, out of capital.

### **5. MATERIAL ADVERSE IMPACT IN THE EVENT OF BUY-BACK IN FULL**

Taking into account the current working capital position of the Company, the Directors consider that, if the Buy-back Mandate were to be carried out in full at any time during the proposed buy-back period, it might have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 30 June 2025, being the date to which the Company's latest published audited financial statements were made up. However, the Directors do not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**6. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2024</b>		
October	5.96	5.65
November	5.90	5.55
December	5.68	5.53
<b>2025</b>		
January	5.74	5.53
February	5.80	5.60
March	5.85	5.50
April	5.60	5.31
May	5.65	5.45
June	5.75	5.54
July	5.89	5.60
August	6.04	5.81
September	6.07	5.48
October		
<i>(up to and including the Latest Practicable Date)</i>	5.85	5.62

**7. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy back securities pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, each of FSE Holdings, Sino Spring Global Limited, Fung Seng Holdings (X) Limited, Fungseng Prosperity Holdings Limited, Doo Family Prosperity Holdings Limited, Mr. Doo Wai Hoi, William and Mrs. Doo Cheng Sau Ha, Amy is taken to have an interest under Part XV of the SFO in the same block of 337,500,000 issued Shares, representing 75.00% of the total number of Shares then in issue. In the event that the Buy-back Mandate is exercised in full and assuming there was no further issue or buy-back of Shares during the period from the Latest Practicable Date up to and including the date of the AGM, the percentage shareholding of each of the above Shareholders would increase from 75.00% to approximately 83.33% of the issued Shares. Such increase would not give rise to an obligation on the part of each of the above Shareholders and parties acting in concert (as

defined in the Takeovers Code) with them to make a mandatory offer under Rule 26 of the Takeovers Code, but would result in the aggregate number of the issued Shares in public hands being reduced to less than 25%. Save as mentioned above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any buy-back pursuant to the Buy-back Mandate.

The Directors have no intention to exercise the Buy-back Mandate to such an extent that would result in (i) any obligation of each of the above Shareholders and parties acting in concert (as defined in the Takeovers Code) with them to make a mandatory offer under the Takeovers Code or (ii) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## **8. SHARE BUY-BACK MADE BY THE COMPANY**

The Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

## **9. GENERAL**

The Directors will exercise the power of the Company to make buy-backs under the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the regulations set out in the Articles.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if the same is approved by the Shareholders at the AGM.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her/it to the Company, in the event that the grant of the Buy-back Mandate to the Directors is approved by the Shareholders at the AGM.

Neither the explanatory statement set out in this Appendix I nor the Buy-back Mandate has any unusual features.

**Mr. Lam Wai Hon, Patrick (“Mr. Lam”)**

Mr. Lam, aged 63, was appointed as an Executive Director and a member of the Remuneration Committee in April 2016, and became the Vice-Chairman of the Company in January 2017, and was redesignated as Executive Vice-Chairman of the Company in June 2022. He was further appointed as the alternate Director to Dr. Cheng in March 2024 and the Chief Executive Officer of the Company and a member of the Nomination Committee in July 2024. He is on the boards of various members of the Group, and is responsible for the overall strategic planning of the Group.

Mr. Lam is currently an executive director and the chief executive officer of FSE Holdings, a controlling shareholder of the Company. Mr. Lam is currently holding 4% interest in FSE Holdings through his controlled corporation.

He was a non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited), a listed public company in Hong Kong, up to his retirement on 25 November 2020 when he was appointed as the alternate director to Mr. Doo William Junior Guilherme, a non-executive director of CTF Services Limited. Save as disclosed above, Mr. Lam did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Mr. Lam is a fellow of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales, and the Chartered Professional Accountants of Ontario, Canada. He is a council member of The Hong Kong Management Association, and a member of the Board of Governors of the Technological and Higher Education Institute of Hong Kong (THEi). He is also acting Chairman of the Asia Advisory Board of the Ivey Business School, Western University, Canada; a founding director of the University of Edinburgh Hong Kong Foundation; and a Member of the Hong Kong Essex Global Leader Network, University of Essex. In addition, Mr. Lam is a Governor of the Canadian Chamber of Commerce in Hong Kong. Mr. Lam is a Chevalier of the Order of National Merit of France and an honorary Doctor of Laws of the Ivey Business School, Western University, Canada.

On 13 March 2008, the Takeovers Executive of the Securities and Futures Commission issued a notice criticizing NWS Financial Management Services Limited (“NWSFM”, an indirect wholly-owned subsidiary of CTF Services Limited) and two of its directors, including Mr. Lam, for breaching Rule 31.3 of the Code on Takeovers and Mergers arising from NWSFM’s acquisition of shares in Taifook Securities Group Limited (now known as Haitong International Securities Group Limited) at prices higher than the offer price during the six-month period after the close of the unconditional offer for all the shares in Taifook Securities Group Limited. The breach was caused by an inadvertent miscalculation by the then company secretary of NWSFM, who was entrusted with compliance matters, of the prescribed period under Rule 31.3 of the Code on Takeovers and Mergers. It was the finding of the Takeovers Executive that the breach was not in any sense deliberately made and was inadvertent in

nature, and the Board does not consider that the inadvertent breach has any impact on Mr. Lam's suitability to serve as our executive Director and executive vice-chairman of the Company.

Mr. Lam has entered into a service contract with the Company for a term of three years commencing from 1 April 2016 and renewable automatically for successive terms of one year each upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of his service contract. Mr. Lam is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to his service contract with the Company, Mr. Lam received remuneration and/or other emoluments (including fees, salaries and bonuses) of approximately HK\$11,851,000 from the Group for the year ended 30 June 2025. Mr. Lam remuneration and/or other emoluments were determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lam:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Mr. Doo William Junior Guilherme BBS, JP ("Mr. Doo")**

Mr. Doo, aged 51, joined the Group in June 2014 and is an Executive Director of the Company and a member of each of the Remuneration Committee and the Nomination Committee. He also sits on the boards of various companies within the Group, and is primarily responsible for the overall strategic planning, overseeing business development and major management decisions for the Group.

Mr. Doo is also an executive director and Deputy Chief Executive Officer of FSE Holdings, a controlling shareholder of the Company. Mr. Doo is currently holding 7% interest in FSE Holdings through his controlled corporation.

Mr. Doo is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. Mr. Doo is a Member of the National Committee of the Fourteenth Chinese People's Political Consultative Conference.

Mr. Doo is a Justice of the Peace of Hong Kong, and is awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Prior to joining the Group, Mr. Doo had legal practice experience in one of the largest global law firms specialising in finance and corporate transactions.

Mr. Doo is a non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited) and an independent non-executive director of The Bank of East Asia, Limited, both being listed public companies in Hong Kong. He is also an independent director of Shengyi Technology Co., Ltd., a listed public company in Shanghai. Save as disclosed above, Mr. Doo did not hold any directorship in other listed public company in Hong Kong or overseas during the three years' period up to the Latest Practicable Date.

Mr. Doo is the son of Mr. Doo Wai Hoi, William and Mrs. Doo Cheng Sau Ha, Amy, with Mrs. Doo Cheng Sau Ha, Amy being one of the controlling shareholders of the Company. Mr. Doo is also the nephew of Dr. Cheng Kar Shun, Henry and his mother is the cousin of Mr. Poon Lock Kee, Rocky's spouse.

Mr. Doo was a director of BioEnviroLink Technologies Limited ("**BioEnviroLink**") during the period from 1 August 2006 to 30 June 2011. BioEnviroLink was a company incorporated in Hong Kong on 24 November 2000 and was dissolved by compulsory winding-up on 20 December 2016. BioEnviroLink was formerly engaged in the provision of environmental engineering services and related maintenance services. It was a 70% owned subsidiary of the Company held through Environmental Pioneers & Solutions Limited ("**Environmental P&S**"). The other 30% shareholder of BioEnviroLink was a third party, Bioforte (Hong Kong) Environmental Engineering and Technology Company Limited ("**Bioforte**"), which was dissolved by being struck off on 11 April 2008. In view of the striking off of Bioforte, who is the 30% shareholder of BioEnviroLink, and that BioEnviroLink no longer engaged in any business, Environmental P&S, as creditor, filed a petition to the court on 4 June 2012 for an order to wind up BioEnviroLink.

Mr. Doo has entered into a service agreement with the Company for a term of three years, commencing from 20 November 2015 and renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of his service agreement. Mr. Doo is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to his service agreement with the Company, Mr. Doo received remuneration and/or other emoluments (including fees, salaries and bonuses) of approximately HK\$9,386,000 from the Group for the year ended 30 June 2025. Mr. Doo's remuneration and/or other emoluments were determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Doo:

- (i) did not hold any position with the Company and other members of the Group;

- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Dr. Cheng Chun Fai (“Dr. Cheng”)**

Dr. Cheng, aged 67, joined the Group in April 2018 and was appointed as an Executive Director of the Company and the Chairman of the ESG Committee in January 2021 and February 2022 respectively, and is primarily responsible for business development and operation of the Group. He is also a director of certain subsidiaries of the Company.

Dr. Cheng is a director of Operations and Corporate Development in FSE Holdings, a controlling shareholder of the Company.

Before joining the Group, Dr. Cheng has worked for New World Group for over 30 years.

Dr. Cheng obtained a Master of Business Administration from the University of South Australia in 2008, a Master of Laws in Chinese Business Law from the Open University of Hong Kong in 2010 and a Doctor of Philosophy in Business Administration from the Bulacan State University in 2012. He has over 25 years’ experience in operational management in different industries. He is also the Chairman of the Executive Committee of The Council of Hong Kong Professional Associations Limited and a member of the executive committee, the chairperson of the Fundraising and Social Enterprise Committee of The Hong Kong Society for Rehabilitation. Dr. Cheng is the Chairman of Program Think Tank on Property Management of City University of Hong Kong. He is a member of the Hospital Governing Committee and the Hospital Safety Committee of MacLehose Medical Rehabilitation Centre of Hong Kong West Cluster.

Dr. Cheng did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Dr. Cheng has entered into a service agreement with the Company for a term of three years, commencing from 1 January 2021 and renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of his service agreement. Dr. Cheng is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to his service agreement with the Company, Dr. Cheng received remuneration and/or other emoluments (including fees, salaries and bonuses) of approximately HK\$5,205,000 from the Group for the year ended 30 June 2025. Dr. Cheng’s remuneration and/or other emoluments were determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company’s performance and the prevailing market conditions.



Save as disclosed above, as at the Latest Practicable Date, Dr. Cheng:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Mr. Chan Ju Wai (“Mr. Chan”)**

Mr. Chan, aged 57, joined the Group in May 2001 and is an Executive Director, the Chief Financial Officer and Company Secretary of the Company. Mr. Chan also serves as a director of certain subsidiaries of the Company and as the company secretary of various subsidiaries of the Company. Mr. Chan is primarily responsible for overseeing the Group’s financial management, treasury, investor relations, legal and corporate governance functions.

Mr. Chan has accumulated more than 30 years of professional experience in auditing, finance and accounting having worked at an international accounting firm, multi-national corporation and publicly listed companies. He holds a Master’s degree with distinction in accountancy from the Lingnan University in Hong Kong and a Master’s degree with credit in Business Administration from the University of Sunderland in the United Kingdom. He is currently a fellow of the Institute of Public Accountants in Australia, the Institute of Certified Management Accountants in Australia and the Institute of Financial Accountants in the United Kingdom. Additionally, he was inducted as a member of the Lingnan University Chapter of Beta Gamma Sigma, the international honor society for collegiate schools of business.

Mr. Chan did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Mr. Chan has entered into a service agreement with the Company for a term of three years, commencing from 1 April 2025 and renewable automatically for successive terms of one year upon expiry of the then current term of his appointment, unless terminated in accordance with the terms of his service agreement. Mr. Chan is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to his service agreement with the Company, Mr. Chan received remuneration and/or other emoluments (including fees, salaries and bonuses) of approximately HK\$788,000 from the Group for the year ended 30 June 2025. Mr. Chan’s remuneration and/or other emoluments were determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company’s performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chan:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Mr. Poon Lock Kee, Rocky MH (“Mr. Poon”)**

Mr. Poon, aged 69, joined the Group in February 1989 and was appointed as the Chief Executive Officer and Executive Director of the Company in December 2015. He was then re-designated as Non-executive Director of the Company in July 2024. He is also a director in a subsidiary of the Company.

Mr. Poon is a member of the American Society of Mechanical Engineers, a Chartered Engineer of the Engineering Council in the United Kingdom, and a fellow of the Chartered Institution of Building Services Engineers in the United Kingdom, the Hong Kong Institute of Engineers and Hong Kong Institute of Construction Managers. Mr. Poon is the Life President of the Hong Kong Federation of Electrical & Mechanical Contractors Limited, Past President of the Hong Kong E&M Contractors’ Association Limited, President of the Macau Air-Conditioning & Refrigeration Chamber of Commerce, President of Macau Electrical Chamber of Commerce, Vice President of the 11th Council (2023–2026) of Macau Construction Association, a director of the Macao Chamber of Commerce and Non-official member of the Town Planning Board of the Hong Kong SAR Government. Mr. Poon was awarded the Medal of Merit — Professions by the Macau SAR Government in September 2019 and awarded the Medal of Honour by the Hong Kong SAR Government in July 2023. Mr. Poon is a Deputy Chairman of the Shaoguan Overseas Friendship Association (Hong Kong & Macau Region), a member of the Trust Committee of the Henry Fok Foundation, and a director of Macau Urban Renewal Limited.

Mr. Poon did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Mr. Poon is the cousin-in-law of Dr. Cheng Kar Shun, Henry and Mrs. Doo Cheng Sau Ha, Amy, with Mrs. Doo Cheng Sau Ha, Amy being one of the controlling shareholders of the Company.

Mr. Poon was a director of BioEnviroLink Technologies Limited (“**BioEnviroLink**”) during the periods from 12 January 2001 to 16 August 2001 and from 31 August 2009 to 8 August 2012 (being the date on which an order for the winding-up of BioEnviroLink was granted). BioEnviroLink was a company incorporated in Hong Kong on 24 November 2000

and was dissolved by compulsory winding-up on 20 December 2016. It was a 70% owned subsidiary of the Company held through Environmental Pioneers & Solutions Limited (“**Environmental P&S**”). The other 30% shareholder of BioEnviroLink was a third party, Bioforte (Hong Kong) Environmental Engineering and Technology Company Limited (“**Bioforte**”), which was dissolved by being struck off on 11 April 2008. In view of the striking off of Bioforte and that BioEnviroLink was no longer engaged in any business, Environmental P&S, as creditor, filed a petition to the court on 4 June 2012 for an order to wind up BioEnviroLink.

Mr. Poon has entered into a letter of appointment with the Company for a fixed term of 18 months commenced from 1 July 2024. Mr. Poon is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. Pursuant to his letter of appointment, Mr. Poon received a director’s fee of approximately HK\$272,000 from the Group for the year ended 30 June 2025. Mr. Poon’s remuneration and/or other emoluments were determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company’s performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Poon:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Mr. Martin Nicholas Hadaway (“Mr. Hadaway”)**

Mr. Hadaway, aged 74, has over 45 years of solid and extensive experience in the construction industry in Hong Kong.

From 1990 to 1995, he served as an executive director of one of the largest construction companies in Hong Kong, before being appointed chief executive officer from 1995 to 2005. During his tenure, he led the delivery of numerous landmark projects in Hong Kong.

Currently, he acts as a business consultant, providing strategic guidance to the investment arm of a PRC state-owned enterprise which is one of the world’s largest infrastructure, transport and property groups. He also serves as a board member and chairman of risk committee of one of Australia’s leading construction and transport companies.

His public service record includes his appointment as a Justice of the Peace of Hong Kong, and he was a council member of the Vocational Training Council. He was also a founding Governor of Maggie’s Cancer Caring Centre in Hong Kong, reflecting his long-standing commitment to community service.

He holds a Bachelor of Science degree in Building from Aston University (formerly known as the University of Aston in Birmingham). He is a fellow member of the Hong Kong Institution of Engineers and a member of The Chartered Institute of Building.

Mr. Hadaway did not hold any directorship in other listed public company in Hong Kong or overseas during the three years’ period up to the Latest Practicable Date.

Subject to the approval by the Shareholders at the AGM, Mr. Hadaway will enter into a letter of appointment with the Company for an initial term of one year commencing from the date of approval at the AGM and renewable automatically for successive terms of one year each from the day immediately after the expiry of the then current term of his appointment, subject to retirement by rotation and re-election at the annual general meeting of the Company. Mr. Hadaway will receive a director’s fee of HK\$340,000 per annum which shall be paid in 12 equal instalments. Mr. Hadaway’s emolument was determined and will be reviewed by the Board annually with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company’s performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Hadaway:

- (i) did not hold any position with the Company and other members of the Group;
- (ii) did not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company;
- (iii) did not have any interests in the shares of the Company within the meaning of Part XV of the SFO; and
- (iv) had not been involved in any of the matters mentioned under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

*This appendix summarises the principal terms of the Share Option Scheme and does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.*

## SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the AGM.

### 1. Purpose of the scheme

The purposes of the Share Option Scheme are to (i) enable the Company to grant Options as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Group.

### 2. Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”), to take up Options to subscribe for Shares:

- (a) any employee (whether full-time or part-time, including any executive director, but excluding any non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries (and including persons who are granted options under the Share Option Scheme as an inducement to enter into employment contracts with these companies) (“**Employee Participant(s)**”);
- (b) any non-executive directors and independent non-executive directors of the Company or any of its subsidiaries; and
- (c) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participant(s)**”).

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the Share Option Scheme.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to his contribution to the development and growth of the Group.

### 3. Maximum number of Shares

- (a) The maximum number of Shares which may be allotted and issued (including any treasury shares which may be transferred, as applicable) in respect of all Options and Awards to be granted under the Share Option Scheme and any other Share Schemes (“**Scheme Mandate Limit**”) shall not exceed 10% of the number of Shares in issue (excluding treasury shares, if any) as at the date of approval of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit. Unless expressly approved by the Shareholders in general meeting and expressly allowed by the Stock Exchange, no Option or Award may be granted under the Share Option Scheme or any other Share Scheme if the grant of such Option or Award will result in the limit referred to in this paragraph being exceeded.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued or transferred out of treasury in respect of all Options and Awards to be granted under all of the Shares Schemes under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

- (b) Subject to paragraph 3(a) and without prejudice to paragraph 3(c), the Company may by sending a circular to the Shareholders containing the number of Options (and Awards, if any) that were already granted under the Scheme Mandate Limit and the reason for the refreshment, seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit under the Share Option Scheme, provided that:
- (i) the total number of Shares which may be allotted and issued (including any treasury shares which may be transferred, as applicable) upon exercise of all Options and Awards to be granted under the Share Option Scheme and any other share scheme must not exceed 10% of the Shares in issue (excluding treasury shares, if any) as at the date of approval of the refreshed limit;
- (ii) where the refreshment of the Scheme Mandate Limit is sought:
- (A) within three years from the date of shareholders approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme): (1) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and (2) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing), provided that the requirements under this paragraph 3(b)(ii)(A) do not apply if the refreshment is made immediately after an issue of securities by the issuer

to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share; and

- (B) after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the Share Option Scheme), the requirements under paragraph 3(b)(ii)(A) shall not be applicable.
- (c) Subject to paragraph 3(a) and without prejudice to paragraph 3(b), the Company may seek separate shareholders' approval in general meeting to grant Options under the Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 3(b) to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each specified Eligible Participant, and the purpose of granting Options to the specified Eligible Participant with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

#### **4. Maximum entitlement of each participant**

Subject to paragraph 5(b), the total number of Shares issued and to be issued (including any treasury shares transferred and to be transferred) upon exercise of the Options granted and to be granted under the Share Option Scheme and the options or awards granted under any other Share Scheme(s) of the Company to each Grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue (excluding treasury shares, if any) (the "**1% Individual Limit**"). Where any grant of Options to a grantee under the Share Option Scheme would result in the Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) upon exercise of all Options or Awards granted and proposed to be granted to such person (excluding any Options and Awards lapsed in accordance with the terms of the Share Option Scheme or the other Share Scheme) under the Share Option Scheme and any other Share Scheme in the 12-month period up to and including the date of such further grant exceed the 1% Individual Limit, such grant must be separately approved by Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting. The number and terms of Options to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing, among others, the identity of such participant, the number and the terms of the Options to be granted (and options and awards previously granted to such participant in the 12-month period) and such other information required under the Listing Rules.

#### **5. Grant of Options to connected persons**

- (a) Without prejudice to paragraph 4 above, the making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options).

The requirements for the grant to a Director or chief executive of the Company set out in this paragraph do not apply where the Eligible Participant is only a proposed Director or proposed chief executive of the Company.

- (b) Without prejudice to paragraph 5(a) above, where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates, would result in the Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) upon exercise of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the Share Option Scheme or the relevant Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares, if any), such grant of Options must be approved by the Shareholders in general meeting (with such grantee, his associates and all core connected persons of the Company abstaining from voting in favour). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).
- (c) Any change in the terms of Options granted to any grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting (with such grantee, his associates and all core connected person of the Company abstaining from voting in favour), if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).
- (d) The requirements for the grant to a Director or chief executive of the Company set out in paragraphs 5(b) and 5(c) above do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company.



- (e) No Options with performance-related elements will be granted to independent non-executive Directors.

For the purpose of seeking the approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing the information required under the Listing Rules, including but not limited to, details of the number of and terms of the Options to be granted to each grantee, which must be fixed before the Shareholders' meeting, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options or awards) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the issuer and its shareholders as a whole, and their recommendation to the independent shareholders as to voting, and comply with the requirements under the Listing Rules.

## **6. Acceptance and exercise of Option**

An Offer shall have been accepted by an Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the date of the Offer).

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee, which period shall end in any event not later than 10 years from the date of Offer of that Option subject to the provisions for early termination thereof.

## **7. Vesting period**

The vesting period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (i) an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the Remuneration Committee shall, or
- (ii) an Employee Participant who is not a Director nor a Senior Manager specifically identified by the Company, the Directors shall have the authority to determine a shorter vesting period under the following specific circumstances:
  - (a) grants of "make-whole" Options to a new Employee Participant to replace awards or options such Employee Participant forfeited when leaving his previous employer;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. Such circumstances may include Options that should have been granted earlier but had to wait for subsequent batch, in which case the vesting period may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements;
- (e) grants of Options with a mixed or accelerated vesting period schedule such that the Options vest evenly over a period of 12 months; and
- (f) grants of Options to Employee Participants with a total vesting and holding period of more than twelve (12) months.

#### **8. Performance target and clawback mechanism**

- (a) Unless the Directors otherwise determined and stated in the Offer to a grantee that any Option prior to it being exercised may be subject to performance targets or clawback if any of the Clawback Events (as defined below) shall occur, a grantee is not required to achieve any performance targets before the exercise of an Option granted to him nor be subject to the clawback mechanism referred to in 8(c) below.
- (b) The Directors may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback if any of the Clawback Events stated in paragraph 8(c) below shall occur.
- (c) In respect of any Option which is performance linked, if any of the following events (“**Clawback Events**”) shall occur during an option period:
  - (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
  - (ii) the grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
  - (iii) if a grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but are not obliged to) by notice in writing to the grantee concerned claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate. The Options that are clawed back

pursuant to this paragraph 8(c) will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- (d) The term “performance targets” shall mean any one or more performance measures, or derivations of such performance measures that may be related to the individual grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Related Entity Participant, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Directors (or, as the case may be, the Remuneration Committee) in their sole discretion, including, without limitation, one or more of the criteria as specified in the Share Option Scheme.

## 9. Subscription for Shares

The Subscription Price in respect of any Option will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the Offer, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the Offer; and (iii) (where applicable) the nominal value of a Share.

## 10. Ranking of Shares

- (a) Shares allotted or treasury shares (if any) to be transferred upon the exercise of an Option will be subject to all the provisions of the articles of association and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee has been duly entered on the register of members of the Company as the holder thereof.
- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reconstruction of the share capital of the Company from time to time.

- (c) Save as otherwise stated in this Appendix IV, there are no voting, dividend and other rights, including those arising on liquidation of the Company, attaching to the Options.

#### **11. Restrictions on the time of grant of Options**

- (a) No Offer shall be made after inside information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information. In particular, no Offer may be made during the period commencing 30 days immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; and for the avoidance of doubt, no Offer may be made during any period of delay in publishing a results announcement.
- (b) The Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

#### **12. Period of the Share Option Scheme**

The Share Option Scheme will remain in force for a period of 10 years commencing after the Adoption Date.

#### **13. Rights on ceasing employment**

If the grantee of an Option is an Employee Participant and ceases to be an Employee Participant for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in paragraph 15 below before the exercising the Option in full, the Option (to the extent vested and not already exercised) will lapse on the date of cessation or termination and not be exercisable. For this purpose, the date of cessation or termination will be taken to be the last day on which the grantee was actually at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and lapsed on the date of cessation or termination of employment.

**14. Rights on death, ill-health or retirement**

If the grantee of an Option is an Employee Participant and ceases to be an Employee Participant by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 17 or 18 occur during such period, exercise the Option pursuant to paragraph 17 or 18 respectively.

For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall be forfeited and cancelled on the date of cessation of employment.

**15. Right on dismissal**

If the grantee is an Employee Participant and ceases to be an Employee Participant by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or any member of the Group into disrepute), his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**16. Rights of grantees other than Eligible Employees**

In respect of a grantee other than an Eligible Employee, if the Directors shall at their absolute discretion determine that (i) (aa) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and any member of the Group on the other part; or (bb) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) the grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in subparagraphs (aa), (bb) and (cc) above, his Option (to the extent not already exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**17. Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent vested and not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

**18. Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent vested and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up.

**19. Grantee being a company wholly-owned by Eligible Participants**

Options granted under the Share Option Scheme must be personal to the respective grantee. No Options may be transferred or assigned. The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company, “**Participant Vehicle**”) for the benefit of an Eligible Participant and any family members of such Eligible Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules. In such case:

- (a) paragraphs (13), (14), (15) and (16) shall apply to the grantee and to the Options granted to such grantee, mutatis mutandis, as if such Options had been granted to the relevant individual Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (13), (14), (15) and (16) shall occur with respect to the relevant individual Eligible Participant; and
- (b) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly-owned by the relevant individual Eligible Participant(s) (or, where the grantee is originally a trust of which the relevant individual Eligible Participants is a beneficiary or discretionary object, on the date the relevant individual Eligible Participant ceases to be a beneficiary or discretionary object).

**20. Adjustments to the subscription price**

In the event of a capitalization issue, rights issue, consolidation or sub-division of Shares, or reduction of the share capital of the Company while an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to (1) the number of Shares subject to any Option(s) relates (insofar as it is/they are unexercised); and/or (2) the Subscription Price of any Option, provided that (aa) any such adjustment shall give a grantee the same proportion of the issued shares in the Company (round to the nearest whole Share) as that to which such grantee was entitled immediately prior to such adjustment; (bb) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value; (cc) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (dd) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

**21. Cancellation of Options**

Save for any breach of the requirement under paragraphs 8 and 23 which shall entitle the Company to cancel the Option granted to the relevant grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any Options granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any unvested Option granted to a grantee or any vested (but not yet exercised) Option and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraphs 3(a), 3(b) or (3)(c). The Options cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

**22. Termination of the Share Option Scheme**

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

Details of the Options granted (including Options exercised or outstanding) under the Share Option Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to Shareholders seeking approval of the first new scheme to be established or refreshment of scheme mandate limit under any existing Share Scheme after such termination.

**23. Rights are personal to the grantee**

- (a) Subject to 23(b) below, an Option shall be personal to the grantee and shall not be transferable or assignable.
- (b) Options granted under the Share Option Scheme must be personal to the respective grantee. No Options may be transferred or assigned. The Stock Exchange may consider granting a waiver to allow a transfer to a Participant Vehicle for the benefit of an Eligible Participant and any family members of such Eligible Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules. In such case, and where the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), the Participant Vehicle shall comply with paragraph 23(a) and



other provisions of the Share Option Scheme shall apply, mutatis mutandis, to the Participant Vehicle. Where a waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

#### **24. Lapse of Option**

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

- (a) the expiry of the period referred to in paragraph 6; and
- (b) the expiry of the periods or dates referred to in paragraphs 13, 14, 15, 16, 17, 18 and 19.

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

#### **25. Alteration of the Share Option Scheme**

- (a) The terms and conditions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees unless approved by the Shareholders in general meeting.
- (b) Any change to the authority of the Directors or the administrators to alter the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting.
- (d) Any change to the terms of any Options granted to a grantee shall be approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (e) The terms of the Share Option Scheme and/or the Options amended must comply with the applicable requirements of the Listing Rules.

## NOTICE OF ANNUAL GENERAL MEETING



### FSE LIFESTYLE SERVICES LIMITED

豐盛生活服務有限公司

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

**(Stock Code: 331)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of **FSE LIFESTYLE SERVICES LIMITED** (the “**Company**”) will be held at 17th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 21 November 2025 at 11:30 a.m. for the following purposes:

### **As ordinary businesses**

1. To consider and receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the auditor (the “**Auditor**”) of the Company for the year ended 30 June 2025.
2. To declare the payment of final dividend for the year ended 30 June 2025.
3. To consider and approve, each as a separate resolution:
  - (a) The re-election of Mr. Lam Wai Hon, Patrick as Director;
  - (b) The re-election of Mr. Doo William Junior Guilherme as Director;
  - (c) The re-election of Dr. Cheng Chun Fai as Director;
  - (d) The re-election of Mr. Chan Ju Wai as Director;
  - (e) The re-election of Mr. Poon Lock Kee, Rocky as Director;
  - (f) The appointment of Mr. Martin Nicholas Hadaway as Director; and
  - (g) To authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as the Auditor and to authorise the board of Directors to fix their remuneration;

## NOTICE OF ANNUAL GENERAL MEETING

### As special businesses

To consider and, if thought fit, pass with or without modifications, the following resolutions each as an ordinary resolution:

### ORDINARY RESOLUTIONS

5. “**THAT:**

- (a) subject to paragraphs (c) and (d) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company or sell or transfer treasury shares, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined in paragraph (e) below);
  - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
  - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company and other relevant regulations in force from time to time; or
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed 20% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of the passing of this resolution, and the said approval shall be limited accordingly;

## NOTICE OF ANNUAL GENERAL MEETING

- (d) the Company may not issue securities convertible into new Shares for cash consideration unless the initial conversion price is not lower than the Benchmarked Price (as hereinafter defined in paragraph (e) below) of the Shares at the time of the relevant placing, and the Company may not issue warrants, options or similar rights to subscribe for (i) any new Shares; or (ii) any securities convertible into new Shares, for cash consideration pursuant to the approval in paragraph (a) above; and
- (e) for the purposes of this resolution,

“**Benchmarked Price**” means the higher of:

- (i) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (a) above; and
- (ii) the average closing price in the 5 trading days immediately prior to the earlier of:
  - (1) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities pursuant to the approval in paragraph (a) above;
  - (2) the date of the placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (a) above; and
  - (3) the date on which the placing or subscription or selling price is fixed.

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the holders of ordinary shares of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the

## NOTICE OF ANNUAL GENERAL MEETING

expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

References to an allotment, issue, grant or offer of securities or Shares shall include a sale or transfer of treasury shares and references to allottees shall include purchasers or transferees of such treasury shares. For the avoidance of doubt, the Directors may only use such general mandate for the resale of treasury shares to the extent permitted under all applicable laws, rules and regulations.”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to buy back the shares (the **“Shares”**) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the **“SFC”**) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act (Act 3 of 1961), as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought back or agreed to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue (excluding treasury shares, if any) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, **“Relevant Period”** means the period from the date of passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; or
  - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the holders of ordinary shares of the Company in general meeting.”

7. **“THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the directors (the **“Directors”**) of the Company to allot, issue and deal with the unissued shares including any sale or transfer of treasury shares of the Company pursuant to resolution numbered 5 above

## NOTICE OF ANNUAL GENERAL MEETING

be and is hereby extended by the addition to the aggregate number of the shares in the Company which may be allotted or sold or transferred out of treasury or agreed conditionally or unconditionally to be allotted or sold or transferred out of treasury by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares in the Company bought back by the Company pursuant to or in accordance with the authority granted under resolution numbered 6 above.”

8. **“THAT:**

- (a) subject to and conditional upon the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the share option scheme of the Company (the **“Share Option Scheme”**), the Share Option Scheme, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted, and that the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal (including the transfer of such number of treasury shares out of treasury, as applicable) with the Shares pursuant to the exercise of any option granted thereunder and to take all such acts and to enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to implement or give full effect to the Share Option Scheme; and
- (b) the scheme mandate limit, being the maximum number of Shares which may be issued or transferred out of treasury in respect of all options or awards to be granted under the Share Option Scheme and any other share scheme(s) involving issue of new shares or transfer of treasury shares of the Company, of 10% of the number of Shares in issue (excluding treasury shares, if any) as at the date of passing of this resolution be and is hereby approved and adopted.”

Yours faithfully  
By order of the Board  
**FSE Lifestyle Services Limited**  
**Chan Ju Wai**  
*Executive Director & Company Secretary*

Hong Kong, 28 October 2025

*Registered office:*  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*  
Units 801–810, 8th Floor  
Chevalier Commercial Centre  
8 Wang Hoi Road  
Kowloon Bay, Kowloon  
Hong Kong

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more ordinary shares (the “**Shares**”) of HK\$0.10 each in the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy needs not be a member of the Company.
2. In the case of joint registered holders of any Share, any one of such joint holders may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders are present at the Meeting (or any adjournment thereof) personally or by proxy, that one of the said joint holders so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
3. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the Meeting (or any adjournment thereof).
4. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Meeting (or any adjournment thereof) if you so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. The record date for determining the entitlement of the holders of Shares to attend and vote at the Meeting will be Friday, 21 November 2025. The Company’s register of holders of ordinary shares (“**Shareholders**”) will be closed from Tuesday, 18 November 2025 to Friday, 21 November 2025 (both days inclusive). All transfer of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 17 November 2025.
6. The record date for determining the entitlement of the holders of Shares to the proposed final dividend will be Monday, 1 December 2025. The Company’s register of Shareholders will be closed from Friday, 28 November 2025 to Monday, 1 December 2025 (both days inclusive). During such period, no transfer of Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 27 November 2025.
7. In relation to the proposed resolution numbered 3 above, the biographical information and other details of the Directors proposed to be re-elected and appointed are set out in Appendix II to the circular of the Company of which this notice of annual general meeting forms part.
8. In relation to the proposed resolutions numbered 5 and 7 above, approval is being sought from the Shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Directors have no immediate plans to issue any new Shares pursuant to the general mandate.
9. In relation to the proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to buy back the Shares in circumstances which they deem appropriate for the benefit of the Shareholders of the Company. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of the Company of which this notice of annual general meeting forms part.

## NOTICE OF ANNUAL GENERAL MEETING

*As at the date of this notice, the board of Directors comprises Dr. Cheng Kar Shun, Henry (Chairman) as non-executive Director, Mr. Doo Wai Hoi, William (Chairman), Mr. Lam Wai Hon, Patrick (Executive Vice-Chairman and Chief Executive Officer) (also acts as alternate director to Dr. Cheng Kar Shun, Henry), Mr. Doo William Junior Guilherme, Mr. Lee Kwok Bong, Mr. Soon Kweong Wah, Dr. Cheng Chun Fai and Mr. Chan Ju Wai as executive Directors, Mr. Poon Lock Kee, Rocky as non-executive Director, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen, Mr. Lee Kwan Hung, Eddie, Dr. Tong Yuk Lun, Paul and Ms. Leung Wan Chong Christine as independent non-executive Directors.*