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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Linekong Interactive Group Co., Ltd., you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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### **Linekong Interactive Group Co., Ltd.** **藍港互動集團有限公司**

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

**(Stock Code: 8267)**

**(1) GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**  
**(2) EXTENSION OF ISSUE MANDATE TO ISSUE SHARES**  
**(3) RE-ELECTION OF DIRECTORS**  
**(4) RE-APPOINTMENT OF AUDITORS**  
**(5) PROPOSED ADOPTION OF THE SHARE SCHEME**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at 17/F, Block 5, Chengying Center, Yard No. 5, Laiguangying West Road, Chaoyang District, Beijing, the PRC on Friday, May 16, 2025 at 10:30 a.m. is set out on pages 58 to 64 of this circular. A form of proxy for the Annual General Meeting is also enclosed. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. before 10:30 a.m. on Wednesday, May 14, 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the "Latest Listed Company Information" page of the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of publication and on the website of the Company at [www.linekong.com](http://www.linekong.com).

April 25, 2025

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## CHARACTERISTICS OF GEM

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

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

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## DEFINITIONS

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

“2014 RSU Scheme”	the restricted share unit scheme approved and adopted pursuant to a resolution passed by the Shareholders on March 21, 2014 and as amended on August 22, 2014 which became effective on March 21, 2014 and expired on March 20, 2024
“2014 Share Option Scheme”	the share option scheme approved and adopted pursuant to a resolution passed by the Shareholders on November 20, 2014 which became effective on December 30, 2014 and expired on December 29, 2024
“Adoption Date”	the date on which the Share Scheme is conditionally adopted by ordinary resolutions of the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at 17/F, Block 5, Chengying Center, Yard No. 5, Laiguangying West Road, Chaoyang District, Beijing, the PRC, on Friday, May 16, 2025 at 10:30 a.m. or any adjournment thereof, the notice of which is set out on pages 58 to 64 of this circular
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Award(s)”	award(s) granted or to be granted under any share schemes (excluding the Share Scheme) of the Company involving the issue of new Shares
“Board”	the board of Directors
“Cayman Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Linekong Interactive Group Co., Ltd. (藍港互動集團有限公司), an exempted company incorporated under the laws of the Cayman Islands on May 24, 2007 with limited liability
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	(a) the Employee Participant(s), (b) the Related Entity Participant(s), and/or (c) the Service Provider(s)
“Employee Participant(s)”	director(s) and employee(s) of the Group (including persons who are granted Options and/or RSUs (as the case may be) under the Share Scheme to facilitate their entering into employment contracts with the Group)
“Exercise Period”	for any specific Option and/or RSU, any period determined by the Board according to its absolute discretion, but in respect of any Option, such period shall not exceed 10 years from the date of grant
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Grantee(s)”	any Eligible Participant who accepts an offer of the grant of an Option and/or an RSU (as the case may be) in accordance with the terms of the Share Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares (including any sale or transfer of Treasury Shares, if any) not exceeding 20 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the resolution granting such mandate
“Latest Practicable Date”	April 21, 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Nomination Committee”	nomination committee of the Board
“Nomination Policy”	the nomination policy of the Company in relation to nomination of Directors
“Option(s)”	option(s) to subscribe for Share(s), including Treasury Share(s), to be granted pursuant to the Share Scheme
“PRC”	the People’s Republic of China
“Related Entity Participant(s)”	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company

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## DEFINITIONS

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“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent of the number of issued Shares (excluding Treasury Shares, if any) as at the date of passing of the resolution granting such mandate
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“RSU(s)”	the restricted share unit(s) to be granted under the Share Scheme, each of which represents one underlying Share (including Treasury Share) and also represents a conditional right granted to any Eligible Participants under the Share Scheme to obtain the Shares (including Treasury Shares) or the cash equivalents with reference to the market price of the Shares on or around the RSUs exercising date (after deducting any taxes, stamp duty and other relevant expenses at the Board’s absolute discretion)
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Senior Management”	the members of senior management who are required to be disclosed in the annual report of the Company pursuant to Rule 18.39 of the GEM Listing Rules

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## DEFINITIONS

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“Service Provider(s)”	person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including (i) suppliers, contractors or sub-contractors who provide services to any members of the Group during the ordinary and usual course of business of the Group; and (ii) agents, advisors and consultants to any members of the Group who provide consulting and/ or advising services regarding any business aspects or in the ordinary and usual course of business of the Group, excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity
“Service Provider Sublimit”	the initial Service Provider sublimit or the refreshed Service Provider sublimit (as the case may be) of the Share Scheme as set out in Appendix III to this circular
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Scheme”	the share scheme proposed to be approved and adopted by the Shareholders at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“Share Scheme Limit”	the initial scheme limit or the refreshed scheme limit (as the case may be) of the Share Scheme as set out in Appendix III to this circular
“Share(s)”	ordinary share(s) of nominal value of US\$0.000025 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meanings ascribed to it under the GEM Listing Rules



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## DEFINITIONS

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“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong
“Treasury Share(s)”	has the meaning ascribed to it under the GEM Listing Rules
“US\$”	United States dollars, the lawful currency for the time being of the United States

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LETTER FROM THE BOARD

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**Linekong Interactive Group Co., Ltd.**

**藍港互動集團有限公司**

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

**(Stock Code: 8267)**

*Executive Directors:*

Mr. WANG Feng (*Chairman and*

*Chief Executive Officer*)

Mr. WANG Jin (*also known as YAN Yusong*)

*Independent Non-executive Directors:*

Mr. ZHANG Xiangdong

Ms. WU Yueqin

Mr. FU Frank Kan

*Registered office:*

Floor 4, Willow House

Cricket Square

P.O. Box 2804

Grand Cayman KY1-1112

Cayman Islands

*Principal place of business in*

*Hong Kong:*

40th Floor

Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

April 25, 2025

*To the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

**(2) EXTENSION OF ISSUE MANDATE TO ISSUE SHARES**

**(3) RE-ELECTION OF DIRECTORS**

**(4) RE-APPOINTMENT OF AUDITORS**

**(5) PROPOSED ADOPTION OF THE SHARE SCHEME**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information regarding the following resolutions to be put forward at the Annual General Meeting: (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares and the extension of the Issue Mandate; (ii) the re-election of Directors; (iii) the re-appointment of auditors; and (iv) the proposed adoption of the Share Scheme.

### GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE SHARES

The existing mandates given to the Directors to issue and repurchase Shares were approved by the Shareholders on June 21, 2024 and will expire upon the conclusion of the Annual General Meeting unless revoked or varied earlier.

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, in accordance with the GEM Listing Rules, for the Issue Mandate to issue Shares. An ordinary resolution no. 4(A) will be proposed at the Annual General Meeting to approve the grant of Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares up to 20 per cent of the number of issued Shares as at the date of passing of such resolution. As at the Latest Practicable Date, there were 367,974,964 Shares in issue. Subject to the passing of the above resolution and on the basis that no Share is issued or repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, the Directors will be allowed to issue a maximum of 73,594,992 Shares under the Issue Mandate.

In addition, subject to a separate approval of ordinary resolution no. 4(C), the number of Shares repurchased by the Company pursuant to the Repurchase Mandate under ordinary resolution no. 4(B) (if approved by the Shareholders at the Annual General Meeting) will also be added to extend the 20 per cent limit under the Issue Mandate in ordinary resolution no. 4(A), provided that such additional number shall not exceed 10 per cent of the number of issued Shares as at the date of passing of such resolution. Nevertheless, the Directors have no immediate plan to issue any new Share pursuant to the Issue Mandate.

An ordinary resolution no. 4(B) will also be proposed at the Annual General Meeting to approve the grant of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10 per cent of the number of issued Shares as at the date of passing of such resolution. As at the Latest Practicable Date, there were 367,974,964 Shares in issue. Subject to the passing of the above resolution and on the basis that no Share is

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## LETTER FROM THE BOARD

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issued or repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 36,797,496 Shares under the Repurchase Mandate.

An explanatory statement required by the GEM Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

The Issue Mandate (including the extension mandate thereof) and the Repurchase Mandate, if granted, shall continue to be in force during the period from the date of passing of the relevant resolution up to 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 any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of such mandate by ordinary resolution of the Shareholders in a general meeting of the Company.

### **RE-ELECTION OF DIRECTORS**

In accordance with Article 16.18 of the Articles of Association, Mr. WANG Jin (also known as YAN Yusong) and Mr. ZHANG Xiangdong shall retire by rotation at the close of the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors thereat.

Biography and other information of the Directors who have offered themselves for re-election at the Annual General Meeting are set out in Appendix II to this circular in accordance with the relevant requirements of the GEM Listing Rules.

### **Confirmation of Independence**

Mr. ZHANG Xiangdong has provided the annual confirmation of independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. He does not have any relationship with any substantial shareholder, fellow Directors and management of the Company which would interfere with the exercise of independent judgment. The Company is therefore of the view that Mr. ZHANG meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

### **Recommendation of the Nomination Committee in respect of the Independent Non-executive Director to be Re-elected**

The Nomination Committee has considered that Mr. ZHANG Xiangdong is a founder of a NASDAQ-listed company and a city bike and cycling business, to which his experience in the strategic development of a technology, consumer-related and listed companies would enlighten the

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## LETTER FROM THE BOARD

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diversity of the Board, such as corporate governance practices. Pursuant to code provision B.2.3 of the Corporate Governance Code set out in Appendix C1 of the GEM Listing Rules, as Mr. ZHANG has served as an independent non-executive Director for more than 9 years, his re-election will be subject to a separate resolution to be approved by the Shareholders. Separate resolution will be proposed for his re-election at the Annual General Meeting. Mr. ZHANG does not have any management role in the Company and its subsidiaries and he has clearly demonstrated diligence, willingness to exercise independent judgment and have been giving objective views to the Company. There is no evidence that length of tenure is having an adverse impact on his independence. The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Mr. ZHANG over the years, he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director. The Board is not aware of any circumstances that might influence Mr. ZHANG in exercising his independent judgement.

### **Recommendation of the Nomination Committee and the Board**

The Nomination Committee was delegated with the responsibility in making recommendations to the Board for the re-election of Directors at the Annual General Meeting. The Nomination Committee noted that each of Mr. WANG Jin (also known as YAN Yusong) and Mr. ZHANG Xiangdong is eligible and willing to offer himself for re-election at the Annual General Meeting and advised the Board to recommend the Shareholders to vote in favour of each of the resolutions in relation to the re-election of the Directors.

When considering the recommendation, the Nomination Committee has followed the Nomination Policy and took into account the diversity aspects (including but not limited to gender, race, age, language, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director) as set out in the Board Diversity Policy, with due regards to the business model and specific needs of the Group. For details of the Nomination Policy and the Board Diversity Policy, please refer to the 2024 annual report of the Company.

Having due regard to the Board Diversity Policy, the business model and specific needs of the Group, the Nomination Committee considers and the Board concurs that the re-election of each of Mr. WANG Jin (also known as YAN Yusong) and Mr. ZHANG Xiangdong is in the best interest of the Company and Shareholders as a whole, taking into account their familiarity with the business of the Group, their experience and skills and their performances and contributions during their terms of office.

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## LETTER FROM THE BOARD

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### RE-APPOINTMENT OF AUDITORS

Baker Tilly Hong Kong Limited will retire as the independent auditors of the Company at the Annual General Meeting and, being eligible, offer themselves for re-appointment as the independent auditors of the Company.

### THE EXPIRATION OF THE 2014 RSU SCHEME AND 2014 SHARE OPTION SCHEME

The Company adopted the 2014 RSU Scheme on March 21, 2014 which became effective on the same date and expired on March 20, 2024. Meanwhile, the Company adopted the 2024 RSU Scheme on July 12, 2024 which became effective on the same date and will expire on July 11, 2034. The Company also adopted the 2014 Share Option Scheme on November 20, 2014 which became effective on December 30, 2014 and expired on December 29, 2024.

As at the Latest Practicable Date, there were 31,889,287 RSUs granted and outstanding, among which 23,439,890 RSUs have been vested. As at the Latest Practicable Date, there were 20,192,904 outstanding share options (to the extent not already exercised) which had been granted pursuant to the 2014 Share Option Scheme, to subscribe for a total of 20,192,904 Shares. All the above outstanding restricted share units and share options will continue to be valid and exercisable in accordance with the rules of the 2014 RSU Scheme, 2024 RSU Scheme and 2014 Share Option Scheme.

### PROPOSED ADOPTION OF THE SHARE SCHEME

The Board is of the view that granting of awards is an effective measure to encourage, retain and attract talents of significant importance to the future business development of the Group. In view of the 2014 RSU Scheme and 2014 Share Option Scheme having been expired, on March 4, 2025, the Board resolved to propose the adoption of the Share Scheme. At the Annual General Meeting, ordinary resolutions will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the Share Scheme. The Share Scheme complies with the requirements under Chapter 23 of the GEM Listing Rules.

### Purposes of the Share Scheme

The purposes of the Share Scheme are (i) to provide Eligible Participants with the opportunity to acquire the ownership interest in the Company; (ii) to encourage and retain such individuals to promote the ongoing operations and development of the Group; (iii) to provide such individuals with additional incentives to achieve performance targets; (iv) to attract suitable employees to drive the further development of the Group; (v) to attract and retain or otherwise maintain the ongoing business relationships with Service Providers who contribute to the Group;

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## LETTER FROM THE BOARD

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and (vi) to motivate such individuals to maximize value for the Group, in order to benefit the Eligible Participants and the Company, to achieve the goal of enhancing the value of the Group, and to align their interests directly with those of the Shareholders through the ownership of Shares.

### **Eligible Participants**

The Eligible Participants of the Share Scheme include the Employee Participants, the Related Entity Participants and the Service Providers.

In determining the eligibility of the Employee Participants to participate in the Share Scheme, the Board and/or the independent non-executive Directors will consider, among other things, (i) their (1) individual work performance; (2) devotions and commitments (including but not limited to the years of service and work hours with the Group); (3) responsibilities and terms of employment in accordance with prevailing market practices and industry standards; and (4) potential or substantial contributions to the business and interests of the Group (including but not limited to actively promoting or facilitating the sustainable development and growth of the Group); and/or (ii) whether they are considered to be able to make valuable contributions to the Group based on their work experience, professional qualifications, industry knowledge or other factors, including but not limited to technical expertise and market competitiveness.

The Board is of the view that the inclusion of the independent non-executive Directors as Eligible Participants is in line with the purposes of the Share Scheme and to better reward them for their contribution to the Group, having considered the basis of determining the eligibility of the independent non-executive Directors as set out above, and will not impair the independence and impartiality of independent non-executive Directors for the following reasons: (i) approval by independent Shareholders in the manner prescribed under Rule 23.04(3) of the GEM Listing Rules will be required if any Option and/or RSU is to be granted to independent non-executive Directors (or any of their respective associates) which would result in the Shares issued and to be issued in respect of all Options, RSUs and Awards granted to such persons in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the number of Shares in issue (excluding Treasury Shares); (ii) the independent non-executive Directors are required to comply with the independence requirement under Rule 5.09 of the GEM Listing Rules; (iii) the Board will consider whether the remuneration package offered to independent non-executive Directors may affect the independent non-executive Directors' objectivity and independence. It is expected that any share-based remuneration that may be granted to any independent non-executive Director will make reference to the prevailing market benchmark as well as the time and effort devoted by the independent non-executive Director and such grant (if any) will only form part of (but not the integral of) the independent non-executive Director's remuneration package; and (iv) the Board will be mindful of the recommended best practice under E.1.9 of the Corporate

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## LETTER FROM THE BOARD

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Governance Code set out in Appendix C1 to the GEM Listing Rules, which recommends that issuers generally should not grant equity-based remuneration with performance-related elements to independent non-executive Directors when considering any future grants of Options, RSUs or Awards to the independent non-executive Directors. As at the Latest Practicable Date, the Company has no plan or intention to grant Options and/or RSUs to the independent non-executive Directors under the Share Scheme.

In determining the eligibility of the Related Entity Participants to participate in the Share Scheme, the Board and/or the independent non-executive Directors will consider, among other things, the projects which they participated in or their business connection with the Group, and the synergy effects brought to the Group, including (i) the positive impact brought or expected to be brought to the Group through the expertise contributed by themselves and/ or their employers to the business development of the Group and/or the Group; (ii) the terms of engagement of the respective employers of those individuals by the Group; and (iii) the projects which the respective employers of those individuals participated in or the number, scale and nature of business connection owned.

In determining the eligibility of the Service Providers to participate in the Share Scheme, the Board will consider, among other things, their (i) work experience, professional qualification and industry knowledge; (ii) performance and track record; (iii) scale, materiality and nature of business with the Group; (iv) length of cooperation with the Group; (v) potential or actual contribution to the business and benefits of the Group; (vi) past payment made by the Group regarding the services received; and (vii) whether their services were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group. For the avoidance of doubt, Service Providers do not include (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional services providers (such as auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity.



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## LETTER FROM THE BOARD

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Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the Share Scheme:

<b>Services Providers</b>	<b>Contribution to the Group</b>	<b>Specific Criteria for Determining the Eligibility of Each Type of Service Providers</b>
Suppliers, Contractors and Sub-contractors	Service Providers under this category are suppliers, contractors and sub-contractors who provide services to any members of the Group during the ordinary and usual course of business of the Group, i.e. suppliers, contractors and sub-contractors providing services relating to concept planning, script writing, shooting, production, gaming production, publishing, distribution and promotion.	<p>Factors to be considered by the Board include:</p> <ul style="list-style-type: none"> <li>(i) work experience, professional qualification and industry knowledge of the Service Providers;</li> <li>(ii) performance and track record of the Service Providers, including whether the Service Providers have a proven track record of providing quality services or products (if any);</li> <li>(iii) scale, materiality and nature of business between the Services Providers and the Group (i.e. whether they are related to the core business of the Group and such business can be easily replaced by other third parties);</li> <li>(iv) length of cooperation between the Service Providers and the Group;</li> </ul>

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## LETTER FROM THE BOARD

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Services Providers	Contribution to the Group	Specific Criteria for Determining the Eligibility of Each Type of Service Providers
		<p>(v) potential or actual contribution of the Service Providers to the business and benefits of the Group (i.e. the actual or expected changes on the earnings and/or income of the Group resulting from or expected to result from the cooperation of the Service Providers and the Group);</p> <p>(vi) past payment made by the Group regarding the services received from the Service Providers; and</p> <p>(vii) whether the services of the Services Providers were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group.</p>

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## LETTER FROM THE BOARD

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Services Providers	Contribution to the Group	Specific Criteria for Determining the Eligibility of Each Type of Service Providers
Agents, Advisors and Consultants	Service Providers under this category include agents, advisors and consultants to any members of the Group who provide consulting and/or advising services relating to (i) the research and development of films, games and Web3 business, (ii) technological development for the Group's filming and gaming business, (iii) market expansion of the Group, and (iv) operation management.	<p>Factors to be considered by the Board include:</p> <ul style="list-style-type: none"> <li>(i) work experience, professional qualification and industry knowledge of the Service Providers;</li> <li>(ii) performance and track record of the Service Providers, including whether the Service Providers have a proven track record of providing quality services or products (if any);</li> <li>(iii) scale, materiality and nature of business between the Services Providers and the Group (i.e. whether they are related to the core business of the Group and such business can be easily replaced by other third parties);</li> <li>(iv) length of cooperation between the Service Providers and the Group;</li> </ul>

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## LETTER FROM THE BOARD

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Services Providers	Contribution to the Group	Specific Criteria for Determining the Eligibility of Each Type of Service Providers
		<ul style="list-style-type: none"><li data-bbox="930 357 1407 768">(v) potential or actual contribution of the Service Providers to the business and benefits of the Group (i.e. the actual or expected changes on the earnings and/or income of the Group resulting from or expected to result from the cooperation of the Service Providers and the Group);</li><li data-bbox="930 832 1407 981">(vi) new clients or business opportunities which the Service Providers have introduced or may introduce to the Group;</li><li data-bbox="930 1044 1407 1151">(vii) past payment made by the Group regarding the services received from the Service Providers; and</li><li data-bbox="930 1215 1407 1453">(viii) whether the services of the Services Providers were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group.</li></ul>

In determining whether a Service Provider provides services to the Group on a continuing and recurring basis, the Board will consider, among other things, (i) the duration and nature of services or products provided to the Group in the past six months, and the recurrence and regularity of such services or products; (ii) the term of engagement of the Service Provider; and (iii) the Group's objectives in engaging the Service Provider and how the grant of Options and/or RSUs to the Service Provider would align with the purposes of the Share Scheme or benefit the Group and the Shareholders.

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## LETTER FROM THE BOARD

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In determining whether a Service Provider provides services to the Group in its ordinary and usual course of business, the Board will consider, among other things, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted or will be conducted by the Group.

The Directors (including the independent non-executive Directors) are of the view that the various criteria for determining the eligibility of the Related Entity Participants and Service Providers as set out above will ensure that the grant of Options and/or RSUs under the Share Scheme will be in line with the purposes of the Share Scheme and the long term interests of the Company and its Shareholders. The Group is principally engaged in developing and publishing online games, the film business and Web3 business. The Group cooperates with Service Providers in the processing of making games and films, such as concept planning, script writing, shooting, production, distribution and promotion. Additionally, Service Providers provide innovative technical support and investment analysis and recommendations in the Group's gaming and Web3 business. Having considered that (a) the Related Entity Participants are valuable human resources to the Group as they often engage in projects or other business collaborations in connection with the Group's businesses, which have contributed to the development and growth of the Group's businesses; (b) the Service Providers have played significant roles in the Group's business development and growth by contributing their specialised skills in fields such as research and development, innovation, marketing and other areas relating to the Group's operations, and (c) the nature of the Company's principal businesses requires a number of cooperation with Service Providers and awarding Options and/or RSUs to the Service Providers is an appropriate way to attract high quality service providers and incentivize their performance, the Directors (including independent non-executive Directors) are also of the view that the inclusion and proposed categories of the Related Entity Participants and the Service Providers under the Share Scheme is in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective in order to enhance the competitiveness of the Group and will not give rise to any material dilution effect on the shareholdings of the Company, and is therefore in the interest of the Company and its Shareholders as a whole.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the composition and the criteria for determining the Eligible Participants are fair and reasonable and align with the purposes of the Share Scheme to recognize their contributions made and to be made to the growth and development of the Group and the long-term interests of the Company and the Shareholders.

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## LETTER FROM THE BOARD

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### Share Scheme Limit and Service Provider Sublimit

Pursuant to the Share Scheme, the Share Scheme Limit is the total number of Shares which may be issued in relation to all Options, RSUs and Awards (excluding any Options, RSUs and Awards lapsed under the Share Scheme and other share schemes of the Company involving the issue of new Shares) to be granted, which shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) on the Adoption Date. The Service Provider Sublimit is the total number of Shares which may be issued in relation to all Options, RSUs and Awards (excluding any Options, RSUs and Awards lapsed under the Share Scheme and other share schemes of the Company involving the issue of new Shares) to be granted to the Service Providers, which shall not exceed 1% of the total number of Shares in issue (excluding Treasury Shares, if any) on the Adoption Date.

As at the Latest Practicable Date, the total number of Shares in issue (excluding Treasury Shares, if any) was 367,974,964 and the Company had no Treasury Shares. Assuming there is no change in the total number of Shares in issue and Treasury Shares from the Latest Practicable Date to the Adoption Date, the Share Scheme Limit would be 36,797,496 Shares, and the Service Provider Sublimit would be 3,679,749 Shares. As at the Latest Practicable Date, the Company has no valid share schemes involving the issue of new Shares under Rule 23.01(1)(a) of the GEM Listing Rules, thus the Company will only grant Options and RSUs under the Share Scheme.

Should the Company hold any Treasury Shares at the time an Option and/or a RSU is exercised by a Grantee, it is the intention of the Company that the Board may at its absolute discretion decide to satisfy the same using Treasury Shares in accordance with the terms of the Share Scheme and applicable requirements under the GEM Listing Rules.

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants of Options and/or RSUs to the Service Providers; (ii) the importance of striking a balance between achieving the purposes of the Share Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options and/or RSUs to the Service Providers; (iii) the extent of use of the Service Providers in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers; (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers; and (v) the fact that the Company expects that a majority of Options and RSUs will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Share Scheme Limit for grants to the Employee Participants. Given the above, the Board (including the independent non-executive Directors) considers that the Service Provider Sublimit would not lead to an excessive dilution of the shareholdings of the existing Shareholders and is appropriate, reasonable and in line with the market practice. The Company did not grant any share options or restricted share units to service providers of the Group historically.

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## LETTER FROM THE BOARD

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### **Vesting Period**

The vesting period of an Option and/or RSU shall be determined by the Board at its discretion and shall not be less than 12 months, provided that if the Remuneration Committee (or, as the case maybe, the Board) determines that a shorter vesting period is appropriate for the purposes of the Share Scheme under any of the following circumstances, the Remuneration Committee (where such arrangements involve the grant of Options and/or RSUs to the Directors and/or the Senior Management) or the Board (where such arrangements do not involve any grant of Options and/or RSUs to the Directors and/or the Senior Management) shall be entitled to set a shorter vesting period for the Employee Participants:

- (a) grants of “make-whole” Options and/or RSUs to new joiners to replace the share options, restricted share units and/or awards they forfeited when leaving the previous employer;
- (b) grants of “make-whole” Options and/or RSUs to existing major members of a newly-acquired subsidiary of the Company to replace the share options, restricted share units and/or awards they forfeited when the Company acquired such subsidiary;
- (c) grants of Options and/or RSUs to a director and/or employee of the Group whose employment is terminated due to death, disability or occurrence of any out of control event;
- (d) grants of Options and/or RSUs with performance-based vesting conditions in lieu of time-based vesting criteria; the director and/or employee of the Group must satisfy the performance-based vesting conditions within twelve months from the date of grant of the Options and/or RSUs. For the avoidance of doubt, save as otherwise provided in this paragraph, where no performance target is set, the vesting period shall not be less than 12 months;
- (e) grants of Options and/or RSUs in tranches within one year for administrative or compliance reasons, including Options and/or RSUs that were due to be granted earlier but had to wait until the next tranche. In such cases, the vesting period may be shorter to reflect the intended timing of the grant of Options and/or RSUs;
- (f) grants of Options and/or RSUs with mixed or accelerated vesting schedules, e.g., Options and/or RSUs that vest evenly over 12 months to reward outstanding performance; and

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## LETTER FROM THE BOARD

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- (g) grants of Options and/or RSUs with a vesting and holding period of over 12 months in total to reward outstanding performance.

The Board (including the independent non-executive Directors) considers that the 12-month vesting period requirement would not work or not be fair to the Employee Participants in certain circumstances: (i) a shorter vesting period for circumstances described in paragraphs (a) to (b) above would help improve the Group's competitiveness in attracting talents in the online games, film and Web3 industries, (ii) a shorter vesting period for the circumstance described in paragraphs (c) and (e) above would help address instances where the 12-month vesting period would not be practicable or fair, and (iii) granting Options and/or RSUs to employees with performance-based vesting conditions pursuant to paragraph (d) and to outstanding Employee Participants pursuant to paragraphs (f) and (g) above will place the Group in a better position to reward its employees and retain talents that are valuable to the growth and development of the Group. Additionally, the Board (including the independent non-executive Directors) is of the view that the shorter vesting period allowed under (a) to (g) paragraphs above (i) provides the Company with the flexibility to offer competitive reward packages to the Eligible Participants, (ii) allows the Company having discretion to formulate its own talent attraction strategies in response to industry competition and changing market conditions and maximizing the benefits of the Group and the Employee Participants, and (iii) benefits the Employee Participants and the Group as a whole. As such, the Board (including the independent non-executive Directors) considers that the shorter vesting period is justified and reasonable, which are also consistent with the GEM Listing Rules and therefore appropriate and in alignment with the purposes of the Share Scheme.

### **Performance Targets**

The Board has the sole discretion to impose any conditions when granting the Options and/or RSUs, including any performance targets that must be satisfied before the Options and/or RSUs can be exercised. For Employee Participants, such performance targets include, but not limited to, financial targets and administrative targets, which shall be based on (i) individual performance, (ii) financial performance of the Group, and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical areas managed by the Eligible Participants (such as the revenue or profits made or increased, the progress made for game and/or film projects, the costs saved). For Related Entity Participants and Service Providers, such performance targets include, but not limited to, their anticipated future contribution to the long-term development of the Group (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement). For the avoidance of doubt, Options and/or RSUs to be granted to an independent non-executive Director shall not contain any performance-related elements, unless allowed by the GEM Listing Rules. Such terms and



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## LETTER FROM THE BOARD

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conditions determined by the Board must not contradict the purposes of the Share Scheme and must be consistent with such guidelines (if any) as may be approved by the Shareholders from time to time.

For each category of Eligible Participants, the Company will evaluate the actual performance and contribution of a Grantee against the performance targets set and form a view as to whether the relevant performance targets have been fulfilled. Each performance target (as specifically instructed by the Board in each case) may be assessed on a time basis (i.e. annually or cumulatively over a number of years) against the performance of previous years or a designated control group, or upon the achievement of one or more milestones specified in the grant letter.

The Board (including the independent non-executive Directors) is of the view that the terms of the Share Scheme, which grant the Board the discretion to specify performance targets, give the Company more flexibility to provide incentives that they see fit when attracting, retaining and motivating selected Eligible Participants that are valuable to the growth and development of the Group as a whole, which is in line with the purposes of the Share Scheme.

### **Exercise Price**

The Board may in its absolute discretion determine the exercise price (if any) in respect of any particular Option and/or RSU at the time of grant based on the closing price of the Shares, the purposes of the grant of Options and/or RSUs, the situation and backgrounds of the Eligible Participants and etc., provided that the exercise price of any Option shall not be less than the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the Shares.

The Board considers that such basis for determining the exercise price (if any) will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

### **Clawback Mechanism**

There is a clawback mechanism under the Share Scheme. The Board may at its absolute discretion forfeit all the outstanding Options and/or RSUs granted to the relevant Grantee (to the extent not yet exercised) in the event of, among other things, a material misstatement in the Group's financial statements, serious misconduct of the relevant Grantee and substantially inaccurate of the assessment or calculation of the performance targets. The Options and/or RSUs

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## LETTER FROM THE BOARD

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that are clawed back will be regarded as cancelled and the Options and/or RSUs so cancelled will be regarded as utilised for the purposes of calculating the Share Scheme Limit and Service Provider Sublimit. The details of which are set out in paragraph 9 in Appendix III to this circular.

The Board considers that such clawback mechanism aligns with the purposes of the Share Scheme because Grantees who have triggered the clawback mechanism should not continue to benefit from the Options and/or RSUs (to the extent not yet exercised).

### **Others**

No trustee will be appointed under the Share Scheme. None of the Directors is and will be the trustee of the Share Scheme or has a direct or indirect interest in the trustee (if any).

The Company understands that whilst the Share Scheme is not restricted to executives and employees of the Group, the adoption of the Share Scheme would not constitute an offer to the public and be subject to prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

A summary of the principal terms of the Share Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix III to this circular.

### **Conditions**

The Share Scheme shall be effective upon the fulfilment of the following conditions:

- (a) the Shareholders having passed ordinary resolutions in a general meeting to approve the adoption of the Share Scheme and authorize the Board to grant Options and/or RSUs thereunder, and to allot and issue Shares upon the exercise of any Options and/or RSUs; and
- (b) the GEM Listing Committee of the Stock Exchange having approved the listing of and dealing in any Shares that may be allotted and issued upon the exercise of any Options and/or RSUs under the Share Scheme.

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## LETTER FROM THE BOARD

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### **Applications for Listing**

Application will be made to the GEM Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options and/or RSUs granted under the Share Scheme. The Share Scheme will take effect on the date of its adoption at the Annual General Meeting subject to such listing approval aforementioned.

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

The transfer books and register of members of the Company will be closed from Tuesday, May 13, 2025 to Friday, May 16, 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, May 12, 2025. Holders of the shares of the Company whose names appear on the register of members of the Company on Friday, May 16, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the Annual General Meeting.

### **ANNUAL GENERAL MEETING**

Set out on pages 58 to 64 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve, among others, (i) the grant to the Directors of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares and the extension of the Issue Mandate; (ii) the re-election of Directors; (iii) the re-appointment of auditors; and (iv) the proposed adoption of the Share Scheme.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the resolutions to be proposed at the Annual General Meeting (including the proposed adoption of the Share Scheme). As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

### **FORM OF PROXY**

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor,

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## LETTER FROM THE BOARD

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Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. before 10:30 a.m. on Wednesday, May 14, 2025) or any adjournment thereof.

Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules and Article 13.6 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or in the case of a Shareholder being a corporation, its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes in the same way.

An announcement on the results of the vote by poll will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### RESPONSIBILITY STATEMENT

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board is of the view that granting of awards is an effective measure to encourage, retain and attract talents of significant importance to the future business development of the Group. The Share Scheme involving granting both Options and RSUs can provide the Company greater flexibility and increase the number of effective measures the Company may deploy to encourage, retain and attract the Eligible Participants, allowing the Company to further strengthen its competitiveness in retaining and attracting talented employees and cultivating business relationships, and consequently to improve its performance. The Directors consider that the proposed resolutions in relation to the proposed adoption of the Share Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the abovementioned resolutions.

Additionally, the Directors consider that the other proposed resolutions set out in the notice of the Annual General Meeting are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the aforementioned resolutions.

### DOCUMENTS ON DISPLAY

A copy of the Share Scheme will be published on the Company's website at [www.linekong.com](http://www.linekong.com) and the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) of the Stock Exchange for a period of not less than 14 days before the date of the Annual General Meeting and is also made available for inspection at the Annual General Meeting.

Yours faithfully

By order of the Board

**Linekong Interactive Group Co., Ltd.**

**WANG Feng**

*Chairman*

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## **APPENDIX I      EXPLANATORY STATEMENT IN RELATION TO THE REPURCHASE MANDATE**

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*The following is an explanatory statement required to be sent to the Shareholders under the GEM Listing Rules in connection with the proposed Repurchase Mandate.*

### **SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue were 367,974,964 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares is issued or repurchased after the Latest Practicable Date up to the date of passing of such resolution, the Company will be allowed to repurchase a maximum of 36,797,496 Shares (subject to share consolidation or subdivision) which represent 10 per cent of the number of the issued Shares, during the period from the date of passing of such resolution up to the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

### **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it 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 repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

The Company may cancel such repurchased Shares or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, 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, or take any other 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.

Repurchases of Shares will be financed out of funds legally available for such purpose and in accordance with the Articles of Association, the Cayman Companies Act and the GEM Listing Rules. The Cayman Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of

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**APPENDIX I EXPLANATORY STATEMENT IN RELATION TO THE REPURCHASE MANDATE**

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Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or from sums standing to the credit of the share premium account of the Company.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that, based on the current prevailing market price, even if the Repurchase Mandate is to be exercised in full, it would not have a material adverse impact on the working capital and the gearing position of the Company as compared with the positions disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the GEM Listing Rules) currently intend to sell any Share to the Company or its subsidiaries, in the event that the Repurchase Mandate is granted by the Shareholders.

The Directors undertake that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands and confirm that neither this explanatory statement nor the proposed share repurchase has any unusual features.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Share to the Company, or has undertaken not to do so, if the Repurchase Mandate is granted by the Shareholders.

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, 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, Mr. WANG Feng is the largest Shareholder of the Company and interested in 107,346,040 Shares (including (i) 66,576,160 Shares held through his wholly-owned company, Wangfeng Management Limited; (ii) 32,336,572 Shares held directly by

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**APPENDIX I      EXPLANATORY STATEMENT IN RELATION TO THE REPURCHASE MANDATE**

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him; and (iii) 8,433,308 RSUs granted to him under the 2014 RSU Scheme entitling him to receive 8,433,308 Shares upon exercise). In the event that the Directors exercise the Repurchase Mandate in full and Mr. WANG Feng fully exercises his RSUs, the shareholding of Mr. WANG Feng will increase from 29.17% to approximately 32.41%. Based on the aforesaid increase in shareholding, such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. However, the Directors would not repurchase Shares to such an extent as would result in takeover obligations.

The GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the repurchase would result in less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued shares being in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.



**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on GEM during the twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded price <i>HK\$</i></b>	<b>Lowest traded price <i>HK\$</i></b>
<b>2024</b>		
May	0.670	0.400
June	0.445	0.330
July	0.450	0.310
August	0.400	0.235
September	0.330	0.250
October	0.395	0.275
November	0.790	0.300
December	0.780	0.460
<b>2025</b>		
January	0.580	0.420
February	0.450	0.260
March	0.385	0.255
April (up to the Latest Practicable Date)	0.290	0.207

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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*The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the Annual General Meeting.*

Save as disclosed herein, as at the Latest Practicable Date, each the following Directors (i) did not have any other relationship with any other director, senior management or substantial or controlling shareholders (if any) of the Company (as defined in the GEM Listing Rules); (ii) did not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance; (iii) did not hold any other position with any member of the Group; (iv) had not held any other directorships in any other listed public companies in the last three years; (v) did not have other major appointments or professional qualification; and (vi) did not have any information to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules nor any other matter that need to be brought to the attention of the Shareholders.

### EXECUTIVE DIRECTOR

Mr. WANG Jin (also known as YAN Yusong), aged 51, has been an executive Director since May 11, 2018. He is also the vice president of the Group, as well as the chief executive officer of the film business of the Group (“**Linekong Pictures**”). Mr. Wang has 25 years of experience in the film and television entertainment industry. He worked at Hong Kong Azio TV as a director from 2000 to 2003, at Shanghai Dragon TV as a producer from 2003 to 2007, at Starlight International Media Co., Ltd. as the vice president from 2007 to 2012, and at TVB China Company as the general manager of Beijing branch office from 2012 to 2015. He joined the Group in January 2016 as the vice president of the Group and the president of Linekong Pictures, and has been the chief executive officer of Linekong Pictures since April 2018 and is primarily responsible for the day-to-day management of the business of Linekong Pictures. Mr. Wang graduated from Chengdu University, majoring in business arts, after which he did further studies at the Shanghai Theatre Academy with directing as his major.

As at the Latest Practicable Date, Mr. Wang held 8,059,624 Shares and was interested in consisted of (a) 300,000 share options, 1,000,000 share options, 125,000 share options and 2,759,812 share options granted to him on June 15, 2016, April 1, 2019, May 17, 2021 and July 12, 2024, respectively, under the 2014 Share Option Scheme entitling him to receive an aggregate of 4,184,812 Shares upon exercise; and (b) 3,874,812 RSUs granted to him under the 2014 RSU Scheme and the 2024 RSU Scheme entitling him to receive 3,874,812 Shares.

Mr. Wang has renewed his a director’s service contract with the Company for an initial term of three years from May 11, 2018 and have been renewed for another term of three years on May 11, 2021 and subsequently on May 11, 2024, which may be terminated by either party thereto by giving to the other party three months’ prior notice in writing or otherwise in accordance with the

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## **APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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terms of the director's service contract, and subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. Wang is currently entitled to receive an annual remuneration of RMB1,200,000 and a discretionary bonus, which is determined with reference to his roles and responsibilities with the Group, the Group's performance and the prevailing market condition.

### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. ZHANG Xiangdong, aged 47, has been an independent non-executive Director, chairman of the remuneration committee and a member of the audit committee of the Company and the nomination committee since April 24, 2014. Mr. Zhang has over 20 years of experience in the internet industry. In July 2003, Mr. Zhang founded Sungy Mobile Limited, a company formerly listed on Nasdaq Stock Market (Nasdaq: GOMO), and served as a director and its president from 2003 to October 2014. In October 2014, Mr. Zhang resigned his positions as director and president. In November 2014, he officially started to pursue his entrepreneurial endeavours in cycling business. Mr. Zhang joined 700Bike as a co-founder and the chief executive officer, devoting himself to promote the development of city bike and cycling culture in China. Mr. Zhang obtained a bachelor's degree in information management from Peking University in July 1999.

Mr. Zhang has entered into a letter of appointment with the Company for a term of 3 years commencing from April 24, 2014 and have been renewed for another term of three years on April 23, 2017 and subsequently on April 23, 2020 and April 23, 2023, and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the letter of appointment, Mr. Zhang is entitled to a director's remuneration of RMB286,000, which has been determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market condition.

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## **APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME**

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*The following is a summary of the principal terms of the Share Scheme proposed to be approved and adopted by ordinary resolutions of the Shareholders at the Annual General Meeting but does not form, nor is intended to be, part of the Share Scheme nor should it be taken as affecting the interpretation of the rules of the Share Scheme.*

### **1. DEFINITIONS**

For the meanings of defined terms and other expressions used below, please refer to the section headed “Definitions” of this circular.

### **2. PURPOSES OF THE SHARE SCHEME**

The purposes of the Share Scheme are (i) to provide Eligible Participants with the opportunity to acquire the ownership interest in the Company; (ii) to encourage and retain such individuals to promote the ongoing operations and development of the Group; (iii) to provide such individuals with additional incentives to achieve performance targets; (iv) to attract suitable employees to drive the further development of the Group; (v) to attract and retain or otherwise maintain the ongoing business relationships with Service Providers who contribute to the Group; and (vi) to motivate such individuals to maximize value for the Group, in order to benefit the Eligible Participants and the Company, to achieve the goal of enhancing the value of the Group, and to align their interests directly with those of the Shareholders through the ownership of Shares.

The Company may effect the grant of Options and/or RSUs under the Share Scheme by issuing new Shares or using Treasury Shares as permitted by the GEM Listing Rules, applicable laws, regulations and Articles of Association.

### **3. DURATION AND ADMINISTRATION OF THE SHARE SCHEME**

- 3.1 Subject to paragraphs 19 and 20 below, the Share Scheme shall continue to be in force and effective for a period of ten years from the effective date. Following the termination of the Share Scheme, no further Share Options and/or RSUs will be granted but the provisions of the Share Scheme will otherwise remain in full force and effect to the extent that Share Options and/or RSUs granted or exercised prior to the termination of the Share Scheme will be implemented in accordance with the terms of the Share Scheme.
- 3.2 The Share Scheme will be administered by the Board and its decisions (except as otherwise provided herein), and subject to the GEM Listing Rules, will be final and binding on the parties. The Board will, subject to the provisions of the Share Scheme, have the power to (including but not limited to) (a) interpret and construe the provisions of the Share Scheme;

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(b) determine the Grantees and the number of Options and/or RSUs to be granted under the Share Scheme and the exercise price (if any) thereof based on the closing price of the Shares, the purposes of the grant of Options and/or RSUs, the situation and backgrounds of the Eligible Participants and etc.; (c) make such adjustments to the grant of Options and/or RSUs under the Share Scheme as may be appropriate and justified where necessary; and (d) make such decisions as may be appropriate for the administration of the Share Scheme.

- 3.3 Decisions of the Board under the Share Scheme need not be consistent and may be made selectively to the individuals who are eligible to be granted Options and/or RSUs under the Share Scheme. Where a Director is a participant, subject to the provisions of the Articles of Association and notwithstanding his/her own interests, he/she may vote on any resolution of the Board (other than resolutions concerning himself/herself) to which the Share Scheme relates and may retain Options and/or RSUs in respect of the Share Scheme.

### **4. GRANT OF OPTIONS AND/OR RSUS**

- 4.1 Pursuant to and subject to the terms of the Share Scheme, the Board may, in its absolute discretion, but shall not be obliged to, without prejudice to such conditions (provided that such conditions shall not be contradictory with the GEM Listing Rules and the terms and conditions of the Share Scheme) as the Board may deem fit (including but not limited to the terms and conditions of grant, exercise or otherwise), grant any Option and/or RSU to an Eligible Participant at any time to subscribe for such number of Shares at such exercise price (if any) as the Board may determine, within a period of ten years from the effect date.
- 4.2 In determining the basis for each Eligible Participant's eligibility to participate, the Board or, as the case may be, the independent non-executive Directors will consider the following factors:
- (a) in the case of Employee Participants, the factors to be considered include (i) their (1) individual work performance; (2) devotions and commitments (including but not limited to the years of service and work hours with the Group); (3) responsibilities and terms of employment in accordance with prevailing market practices and industry standards; and (4) potential or substantial contributions to the business and interests of the Group (including but not limited to actively promoting or facilitating the sustainable development and growth of the Group); and/or (ii) whether they are considered to be able to make valuable contributions to the Group based on their work experience, professional qualifications, industry knowledge or other factors, including but not limited to technical expertise and market competitiveness;

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- (b) in the case of Related Entity Participants, the factors to be considered include the projects which they participated in or their business connection with the Group, and synergy effects brought to the Group, including (i) the positive impact brought or expected to be brought to the Group through the expertise contributed by themselves and/ or their employers to the business development of the Group and/ or the Group; (ii) the terms of engagement of the respective employers of those individuals by the Group; and (iii) the projects which the respective employers of those individuals participated in or the number, scale and nature of business connection owned; and
- (c) in the case of Service Providers, the factors to be considered include their (i) work experience, professional qualification and industry knowledge; (ii) performance and track record; (iii) scale, materiality and nature of business with the Group; (iv) length of cooperation with the Group; (v) potential or actual contribution to the business and benefits of the Group; (vi) past payment made by the Group regarding the services received; and (vii) whether their services were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group.

Below set forth the particulars of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the Share Scheme:

<b>Service Providers</b>	<b>Contribution to the Group</b>	<b>Specific Criteria for Determining the Eligibility of Each Type of Service Providers</b>
Suppliers, Contractors and Sub-contractors	Service Providers under this category are suppliers, contractors and sub-contractors who provide services to any members of the Group during the ordinary and usual course of business of the Group, i.e. suppliers, contractors and sub-contractors providing services relating to concept planning, script writing, shooting, production, gaming production, publishing, distribution and promotion.	Factors to be considered by the Board include:  (i) work experience, professional qualification and industry knowledge of the Service Providers;  (ii) performance and track record of the Service Providers, including whether the Service Providers have a proven track record of providing quality services or products (if any);

Service Providers	Contribution to the Group	Specific Criteria for Determining the Eligibility of Each Type of Service Providers
		<p>(iii) scale, materiality and nature of business between the Service Providers and the Group (i.e. whether they are related to the core business of the Group and such business can be easily replaced by other third parties);</p> <p>(iv) length of cooperation between the Service Providers and the Group;</p> <p>(v) potential or actual contribution of the Service Providers to the business and benefits of the Group (i.e. the actual or expected changes on the earnings and/or income of the Group resulting from or expected to result from the cooperation of the Service Providers and the Group);</p> <p>(vi) past payment made by the Group regarding the services received from the Service Providers; and</p> <p>(vii) whether the services of the Service Providers were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group.</p>

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<b>Service Providers</b>	<b>Contribution to the Group</b>	<b>Specific Criteria for Determining the Eligibility of Each Type of Service Providers</b>
Agents, Advisors and Consultants	Service Providers under this category include agents, advisors and consultants to any members of the Group who provide consulting and/or advising services to relating (i) the research and development of films, games and Web3 business, (ii) technological development for the Group's filming and gaming business, (iii) market expansion of the Group, and (iv) operation management.	<p>Factors to be considered by the Board include:</p> <ul style="list-style-type: none"><li>(i) work experience, professional qualification and industry knowledge of the Service Providers;</li><li>(ii) performance and track record of the Service Providers, including whether the Service Providers have a proven track record of providing quality services or products (if any);</li><li>(iii) scale, materiality and nature of business between the Service Providers and the Group (i.e. whether they are related to the core business of the Group and such business can be easily replaced by other third parties);</li><li>(iv) length of cooperation between the Service Providers and the Group;</li></ul>



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Service Providers	Contribution to the Group	Specific Criteria for Determining the Eligibility of Each Type of Service Providers
		<ul style="list-style-type: none"><li data-bbox="930 357 1407 768">(v) potential or actual contribution of the Service Providers to the business and benefits of the Group (i.e. the actual or expected changes on the earnings and/or income of the Group resulting from or expected to result from the cooperation of the service providers and the Group);</li><li data-bbox="930 832 1407 981">(vi) new clients or business opportunities which the service providers have introduced or may introduce to the Group;</li><li data-bbox="930 1044 1407 1151">(vii) past payment made by the Group regarding the services received from the service providers; and</li><li data-bbox="930 1215 1407 1453">(viii) whether the services of the Service Providers were provided on a continuing and recurring basis during the ordinary and usual course of business of the Group.</li></ul>

In determining whether a Service Provider provides services to the Group on a continuing and recurring basis, the Board will consider, among other things, (i) the duration and nature of services or products provided to the Group in the past six months, and the recurrence and regularity of such services or products; (ii) the term of engagement of the Service Provider; and (iii) the Group's objectives in engaging the Service Provider and how the grant of Options and/or RSUs to the Service Provider would align with the purposes of the Share Scheme or benefit the Group and the Shareholders.

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In determining whether a Service Provider provides services to the Group in its ordinary and usual course of business, the Board will consider, among other things, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted or will be conducted by the Group.

4.3 The grant of Options and/or RSUs to a Director, chief executive officer or substantial shareholder of the Company or any of his/her associates is subject to the following requirements:

- (a) Any grant of Options and/or RSUs to a Director, chief executive officer or substantial shareholder of the Company or any of his/her associates shall be subject to the approval of the then independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of such Options and/or RSUs or whose associate is the Grantee of such Options and/or RSUs).
- (b) Any grant of RSUs under the Share Scheme or Awards (excluding share options) under share schemes of the Company involving the issue of new Shares to a chief executive officer of the Company or Director (excluding any independent non-executive Director) or any of their respective associates, resulting in the aggregate number of new Shares issued and to be issued in respect of all RSUs and the Awards (excluding RSUs and Awards that have been lapsed under the terms of the Share Scheme and share schemes of the Company involving the issue of new Shares and share options) in any 12-month period up to and including the date of grant to such individuals exceeding 0.1% of the total number of Shares then in issue (excluding Treasury Shares), such further grant of RSUs and Awards (excluding share options) shall be subject to the approval of the Shareholders by way of poll at a general meeting, at which all relevant Grantees, their associates and all core connected persons shall abstain from voting in favour of such grant, and the Company is required to comply with the requirements under Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.
- (c) If any Options and/or RSUs are granted to a substantial shareholder of the Company or independent non-executive Director or any of their respective associates, resulting in the aggregate number of new Shares issued and to be issued under the Options and RSUs granted and the Awards granted under the share schemes of the Company involving the issue of new Shares (excluding Options, RSUs and Awards that have been lapsed under the terms of the Share Scheme and share schemes of the Company involving the issue of new Shares) in any 12-month period up to and including the date of grant to such individuals exceeding 0.1% of the total number of Shares then in issue (excluding Treasury Shares), such further grant of Options and/or RSUs shall be subject to the approval of the Shareholders by way of poll at a general meeting to be convened and

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held in accordance with the Articles of Association and the GEM Listing Rules, at which all relevant Eligible Participants, their associates and all core connected persons of the Company shall abstain from voting in favour of such grant, and the Company is required to comply with the requirements under Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules. The Company will send a circular to the Shareholders containing the information required under Rule 23.04(5) of the GEM Listing Rules.

Any amendments on the terms on which Options and/or RSUs are granted to an Eligible Participant who is a Director, chief executive officer or substantial shareholder of the Company or any of his/her associates shall also be subject to Shareholders' approval as required under Rule 23.04(4) of the GEM Listing Rules (and such approval shall also be required for the first time such Options and/or RSUs are granted) unless such amendments are automatically effected in accordance with the existing terms of the Share Scheme.

Subject to the GEM Listing Rules, where an Eligible Participant is only a Director or chief executive officer being nominated, the references to the grant of Options and/or RSUs to the Directors and chief executive officer in this section shall not be applicable.

- 4.4 Under any of the circumstances below, the Board shall not grant any Options and/or RSUs to any Eligible Participant:
- (a) securities laws or regulations requiring the publishing of a prospectus or other offering documents in relation to the grants of Options and/or RSUs or the Share Scheme, unless otherwise determined by the Board;
  - (b) the granting of Options and/or RSUs will result in violation of any relevant securities laws, rules, regulations or the GEM Listing Rules by the Company, its subsidiaries or any of their respective directors;
  - (c) the granting of Options and/or RSUs will result in breach of Share Scheme Limit as described in paragraph 10 below;
  - (d) when inside information comes to the knowledge of the Company until and including the business day on which such inside information is published in accordance with the requirements under the GEM Listing Rules;

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- (e) pursuant to the GEM Listing Rules as amended from time to time, during the period of 30 days prior to the earlier of (including the date of the Company's results announcement):
    - (i) the date on which a meeting of the Board is held for the purpose of adopting the quarterly (if any), half-yearly or annual results or other interim results of the Company (whether or not required under the GEM Listing Rules); and
    - (ii) the deadline for the Company to announce any annual or half-yearly results under Rule 18.49 or 18.78 of the GEM Listing Rules, or quarter (if any) or any other interim period (whether or not required under the GEM Listing Rules); or
  - (f) any period of delay in the publication of a results announcement.
- 4.5 The grant of Options and/or RSUs shall be made by the Company on a business day and any grant of Options and/or RSUs shall be made to an Eligible Participant by way of grant letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Options and/or RSUs on the terms on which it is to be granted and to be bound by the provisions of the Share Scheme. Options and/or RSUs shall remain open for acceptance by the relevant Eligible Participant in writing in such form as the Board may require for a period of 30 days from the date of grant. In terms of offer of Options, no offer shall be accepted upon the expiry of the Exercise Period. If the offer is not accepted, the offer of Options shall lapse. In terms of offer of RSUs, no offer shall be accepted upon the expiry of the valid period of the Share Scheme. If the offer is not acceptance, the offer of RSUs shall lapse. Unless the Grantee remains an Eligible Participant while accepting the grant, such grant shall not be accepted.
- 4.6 Unless otherwise determined by the Board in the grant letter, Eligible Participants shall not be liable or required to pay any price or expense in connection with the acceptance of Options and/or RSUs. Options and/or RSUs are deemed to be granted as at the date of the grant letter when the Company receives from the Grantee a copy of the letter of acceptance for the Options and/or RSUs duly signed by the Grantee.
- 4.7 Options and/or RSUs granted may be accepted for less than the number of Shares for which the Options and/or RSUs offered, provided that it is accepted in a whole board lot for dealing in the Shares on the Stock Exchange or a multiple thereof. To the extent that the Options and/or RSUs granted are not accepted in accordance with paragraphs 4.5 and 4.6 above, such Options and/or RSUs shall be deemed to have been irrevocably declined and automatically lapsed.

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4.8 Upon the grant of Options and/or RSUs, a grant letter shall be provided to the Eligible Participant, and such grant letter shall set forth, among other things, the following:

- (a) name of the Eligible Participant;
- (b) manner of acceptance of the Options and/or RSUs;
- (c) the number of Options and/or RSUs granted and the number of underlying Shares represented by the Options and/or RSUs or the percentage of the Company's issued share capital represented by the Options and/or RSUs granted;
- (d) vesting criteria and conditions (if any);
- (e) vesting schedule (if any);
- (f) exercise price (if any);
- (g) clawback mechanism (if any); and
- (h) such other terms and conditions as the Board may determine which shall not conflict with the Share Scheme.

### 5. EXERCISE PRICE

5.1 The exercise price (if any) of any particular Option and/or RSU shall be such price determined by the Board in its absolute discretion based on the closing price of the Shares, the purposes of the grant of Options and/or RSUs, the situation and backgrounds of the Eligible Participants and etc. (and shall be stated in the grant letter), but shall be subject to any adjustments made pursuant to paragraph 18. Without prejudice to the generality of the aforesaid provisions, the Board may grant Options and/or RSUs at different prices at different times during the Exercise Period.

5.2 Subject to any adjustments under paragraph 15, the exercise price of an Option shall, in any event, not be less than the highest of: (a) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant which must be a business day; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of the Shares.

**6. VESTING OF OPTIONS AND/OR RSUS**

6.1 The vesting period of an Option and/or RSU shall be determined by the Board at its discretion and shall not be less than 12 months, provided that if the Remuneration Committee (or as the case may be, the Board) determines that a shorter vesting period is appropriate for the purposes of the Share Scheme under any of the following circumstances, the Remuneration Committee (where such arrangements involve the grant of Options and/or RSUs to the Directors and/or Senior Management) or the Board (where such arrangements do not involve any grant of Options and/or RSUs to the Directors and/or Senior Management) shall be entitled to set a shorter vesting period for the Employee Participant:

- (a) grants of “make-whole” Options and/or RSUs to new joiners to replace the share options, restricted share units and/or awards they forfeited when leaving the previous employer;
- (b) grants of “make-whole” Options and/or RSUs to existing major members of a newly-acquired subsidiary of the Company to replace the share options, restricted share units and/or awards they forfeited when the Company acquired such subsidiary;
- (c) grants of Options and/or RSUs to a director and/or employee of the Group whose employment is terminated due to death, disability or occurrence of any out of control event;
- (d) grants of Options and/or RSUs with performance-based vesting conditions in lieu of time-based vesting criteria; the director and/or employee of the Group must satisfy the performance-based vesting conditions within twelve months from the date of grant of the Options and/or RSUs. For the avoidance of doubt, save as otherwise provided in this paragraph, where no performance target is set, the vesting period shall not be less than 12 months;
- (e) grants of Options and/or RSUs in tranches within one year for administrative or compliance reasons, including Options and/or RSUs that were due to be granted earlier but had to wait until the next tranche. In such cases, the vesting period may be shorter to reflect the intended time of the granting of Options and/or RSUs;
- (f) grants of Options and/or RSUs with mixed or accelerated vesting schedules, e.g., Options and/or RSUs that vest evenly over 12 months to reward those with outstanding performances; and
- (g) grants of Options and/or RSUs with a vesting and holding period of over 12 months in total to reward those with outstanding performances.

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- 6.2 The Board has the sole discretion to impose any conditions when granting the Options and/or RSUs, including any performance targets that must be satisfied before the Options and/or RSUs can be exercised. For Employee Participants, such performance targets include, but not limited to, financial targets and administrative targets, which shall be based on (i) individual performance, (ii) performance of the Group, and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Eligible Participant. For Related Entity Participants and Service Providers, such performance targets include, but not limited to, their anticipated future contribution to the long-term development of the Group (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement). For the avoidance of doubt, Options and/or RSUs to be granted to an independent non-executive Director shall not contain any performance-related elements, unless allowed by the GEM Listing Rules. Such terms and conditions determined by the Board must not contradict the purposes of the Share Scheme and must be consistent with such guidelines (if any) as may be approved by the Shareholders from time to time. For each category of the Eligible Participants, the Company will evaluate the actual performance and contribution of a Grantee against the performance targets set and form a view as to whether the relevant performance targets have been fulfilled. Each performance target (as specifically instructed by the Board in each case) may be assessed on a time basis (i.e., annually or cumulatively over a number of years) against the performance of previous years or a designated control group, or upon the achievement of one or more milestones specified in the grant letter.
- 6.3 Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board shall send the vesting notice to each relevant Grantee. The vesting notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

### **7. EXERCISE OF OPTIONS AND/OR RSUS**

- 7.1 An Option and/or RSU granted under the Share Scheme shall be personal to the Grantee and shall not be transferable or assignable. Unless a waiver is granted by the Stock Exchange to allow such Options and/or RSUs to be transferred to an individual entity (e.g., a trust or a private company) in the benefits of the Grantee and any of its family members (e.g., for the purpose of estate planning or tax planning), given that such transfer would continue to meet the purposes of the Share Scheme and comply with other requirements under the GEM Listing Rules, no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third parties over or in relation to any Option and/or RSU held by him/her.

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- 7.2 If the Grantee (or, as the case may be, his/her legal personal representative(s)) gives notice in writing to the Company stating that the Options and/or RSUs are thereby exercised and the number of Shares involved, such Options and/or RSUs may be exercised by the Grantee in whole or in part in accordance with this paragraph. Each notice must be accompanied by a remittance for the full amount of the exercise price (if any) of the Shares in relation to the notice. Within twenty-eight days after receipt of the notice and the remittance and, where applicable, receipt of the certificate from the independent financial advisor or the auditor pursuant to paragraph 15, the Company shall allot the relevant number of Shares to the Grantee (or, as the case may be, his/her legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his/her legal personal representative(s)) share certificates in respect of the Shares so allotted.
- 7.3 Subject to any requirements under the GEM Listing Rules and the Share Scheme, an Option and/or RSU may be exercised by the Grantee (or, as the case may be, his/her legal personal representative(s)) at any time during the Exercise Period:
- (a) in the event of the Grantee ceasing to be an Eligible Participant by reason of (i) employer terminating his/her employment contract in accordance with its terms or any right conferred on his/her employer pursuant to the employment terms or laws; or (ii) his/her employment contract, being a contract with a fixed term, expiring and not being renewed; or (iii) his/her employer terminating his/her employment contract for his/her serious misconduct; or (iv) the Group terminating his/her employment contract or deeming the contract to have been terminated for his/her serious misconduct or for behaviour that, in the sole opinion of the Company, causes harm or a risk to the Group, any outstanding offer of Options and/or RSUs which have not been accepted and all Options and/or RSUs, either vested or unvested, shall lapse on the date the Grantee ceases to be an Eligible Participant;
  - (b) in the event of the Grantee ceasing to be an Eligible Participant by reason of:
    - (i) his/her death; or
    - (ii) his/her serious illness or injury which in the opinion of the Board renders the Grantee concerned unfit to perform the duties of his/her employment and which in the normal course would render the Grantee unfit to continue performing the duties under his/her employment contract for the following 12 months provided such illness or injury is not self-inflicted; or
    - (iii) his/her retirement in accordance with the terms of the Grantee's employment contract; or



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- (iv) his/her early retirement by agreement with the Grantee's employer; or
- (v) his/her employer terminating his/her employment contract by reason of redundancy; or
- (vi) his/her employer ceasing to be a member of the Group or under the control of the Company; or
- (vii) a transfer of the business or the part of the business, in which the Grantee works to a person who is neither under the control of the Company nor a member of the Group or associated companies of the Company; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purposes of the Share Scheme to treat a Grantee whose Options and/or RSUs would otherwise lapse so that such Options and/or RSUs do not lapse but continue to subsist in accordance with (and subject to) the provisions of the Share Scheme; or
- (ix) his/her resigning from his/her employment; or
- (x) his/her ceasing to be directors of any member of the Group,

then, any outstanding offer of Options and/or RSUs which has not been accepted and any unvested Options and/or RSUs will lapse. For the avoidance of doubt, the Grantee (or, as the case may be, his/her legal personal representative(s)) may continue to exercise his/her vested but outstanding Options and/or RSUs pursuant to the provisions of the Share Scheme and the grant letter.

- (c) if the Board determines that a Grantee whose Options and/or RSUs continued to subsist according to the paragraph 7.3(b)(viii) above and who ceased to be an Eligible Participant:
  - (i) is guilty of any misconduct which would have justified the termination of his/her employment contract for cause but which does not become known to the Company until after he/she has ceased employment with any member of the Group; or
  - (ii) is in breach of any material term of employment contract (or other contract or agreement related to his/her contract of employment), including, without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him/her and any member of the Group; or

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(iii) has disclosed trade secrets or confidential information of any member of the Group; or

(iv) has entered into competition with any member of the Group or breached any non-solicitation provisions in his/her employment contract,

then it may, in its absolute discretion, determine that any outstanding Options and/or RSUs, vested or not vested, held by the Grantee shall immediately lapse upon the Board resolving to make such determination (whether or not the Grantee has been notified of the determination).

(d) if the Grantee who is expected to join the Group as an employee within six months after the date of grant of the Options and/or RSUs failed to join the Group, the Options and/or RSUs shall lapse on the last day of such six month period; and

(e) has lapsed upon the occurrence of the circumstances referred to in paragraphs 12, 13 and 14 below.

7.4 Outstanding Options and/or RSUs shall not be entitled dividends (including distributions made upon the liquidation of the Company) or voting rights. Shares issued upon the exercise of Options and/or RSUs shall rank *pari passu* in all respects with the other existing fully paid-up Shares in issue (including, without limitation, voting rights, dividends and transfer rights and rights arising on a liquidation of the Company) on the Share allotment date (or, if that date falls on a day when the register of members of the Company is closed, the date on which the register of members is re-opened) and will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands. They are not entitled to any rights attached to the Shares based on the record date before the date of allotment of Shares. Shares issued upon the exercise of Options and/or RSUs shall not carry voting rights until the Grantee of the Options and/or RSUs (or any other person) is registered as the holder in the register of members of the Company.

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7.5 No Options or RSUs may be exercised if the Board considers that the exercise of the Options and/or RSUs would violate legal or regulatory requirements.

### **8. LAPSE OF OPTIONS AND/OR RSUS**

An Option and/or RSU shall lapse automatically (to the extent not already vested) on the earliest of:

- (a) the expiration of the Exercise Period;
- (b) the breach of the requirements under paragraph 7.1 above by the Grantee;
- (c) the expiration of any periods referred to in paragraphs 7.3(a) to 7.3(d); and
- (d) upon the occurrence of the circumstances referred to in paragraphs 12, 13 and 14 below.

### **9. CLAWBACK MECHANISM**

9.1 Subject to the terms and conditions of the Share Scheme, the Directors may provide in the grant letter that any Options and/or RSUs may be subject to clawback or a longer vesting period if any of the following events shall occur:

- (a) there being a material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) 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;
- (c) if the Options and/or RSUs are 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.

9.2 The Directors may by notice in writing to the Grantee concerned (i) claw back all or a specified part of the Options and/or RSUs granted as the Directors may consider appropriate, or (ii) extend the vesting period (regardless of whether the vesting has occurred) in relation to all or a specified part of the Options and/or RSUs (to the extent not already exercised) to such longer period as the Directors may consider appropriate. The Options and/or RSUs that

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## **APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME**

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are clawed back pursuant to this paragraph will be regarded as cancelled and the Options and/or RSUs so cancelled will be regarded as utilised for the purpose of calculating the Share Scheme Limit and Service Provider Sublimit.

### **10. SHARE SCHEME LIMIT AND SERVICE PROVIDER SUBLIMIT**

- 10.1 The total number of new Shares which may be issued under all Options, RSUs and Awards (excluding any Options, RSUs and Awards lapsed in accordance with the Share Scheme and any other share schemes of the Company involving the issue of new Shares) which may be granted under the Share Scheme and any other share schemes of the Company involving the issue of new Shares shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares) when the Share Scheme is adopted. Any Options, RSUs and Awards lapsed (as the case maybe) in accordance with the Options, RSUs and Awards granted under the Share Scheme and any other share schemes of the Company involving the issue of new Shares (as the case maybe) will not be taken into account for the purpose of calculating whether or not the Share Scheme Limit and Service Provider Sublimit is exceeded;
- 10.2 Subject to paragraph 10.1 above, the total number of new Shares which may be issued in respect of all Options, RSUs and Awards (excluding any Options, RSUs and Awards that have lapsed under the Share Scheme and any other share schemes of the Company involving the issue of new Shares) that may be granted to the Service Providers under the Share Scheme and any other share schemes of the Company involving the issue of new Shares within the Share Scheme Limit shall not exceed 1% of the total number of issued Shares (excluding Treasury Shares) when the Share Scheme is adopted ;
- 10.3 The Company may seek Shareholders' approval in general meetings to refresh the Share Scheme Limit and/or the Service Provider Sublimit provided that a period of at least three years shall elapse since the date on which the Share Scheme is last approved and refreshed (or adopted) and the total number of Shares to be issued under all Options, RSUs and Awards granted under all share schemes of the Company involving the issue of new Shares since the refreshment does not exceed 10% of the total number of Shares in issue (excluding Treasury Shares) on the date of the approval of the refreshment of the Share Scheme Limit and/or the Service Provider Sublimit by the Shareholders at the general meetings. In seeking Shareholders' approval, the Company must issue a circular to Shareholders containing the number of Options, RSUs or Awards granted under the existing Share Scheme Limit and/or the Service Provider Sublimit and the reasons for refreshing the Share Scheme Limit and/ or the Service Provider Sublimit;

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### **APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME**

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- 10.4 If the Company intends to refresh the Share Scheme Limit and/ or the Service Provider Sublimit within any three year period, it must be approved by the Shareholders, any controlling shareholders of the Company and their associates (or (if there is no controlling shareholders) the Directors (other than independent non-executive Directors) and the chief executive officer of the Company and their respective associates) must abstain from voting in favor of the relevant resolution in the general meeting, and the Company must comply with the requirements of Rule 23.03C(1)(b)(ii) of the GEM Listing Rules;
- 10.5 The requirements under paragraph 10.4 above will not apply if the refreshment of the Share Scheme Limit is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis pursuant to Rule 17.41(1) of the GEM Listing Rules and the unused part of the Share Scheme Limit (calculated as a percentage of the relevant class of Shares in issue) upon refreshment of the Share Scheme Limit is the same as the unused part of the Share Scheme Limit immediately before the issue of securities (rounded to the nearest whole Share);
- 10.6 The Company may seek Shareholders' approval in general meetings to grant Options and/or RSUs in excess of the Share Scheme Limit, provided that Options and/or RSUs in excess of the Share Scheme Limit (refreshed from time to time) could only be granted to the Eligible Participants specifically identified by the Company before Shareholders' approval. Prior to seeking this approval, the Company shall send a circular to the Shareholders containing the names of such specified Eligible Participants, the numbers and terms of the Options and/or RSUs to be granted to each Eligible Participant and the purposes of granting the Options and/or RSUs to the specified Eligible Participants with an explanation of how the terms of the Options and/or RSUs will serve the purpose. The numbers and terms of the Options and/or RSUs to be granted shall be determined before Shareholders' approval. In respect of any Options to be granted, when determining the exercise price of Options pursuant to the paragraph 5 above, the date of grant of the Options will be the date of the Board meeting which the resolution of granting of Options is proposed;
- 10.7 If the Company conducts a share consolidation or subdivision after the Share Scheme Limit and/or the Service Provider Sublimit has been passed at a general meeting, the maximum number of new Shares which may be issued under all Options, RSUs and Awards granted in accordance with the Share Scheme Limit and/ or the Service Provider Sublimit under the Share Scheme and any other share schemes of the Company involving the issue of new Shares as a percentage of the total number of issued Shares (rounded to the nearest whole Share) at the date immediately before and after such consolidation or subdivision shall be the same.

**11. MAXIMUM ENTITLEMENT TO OPTIONS AND/OR RSUS FOR EACH ELIGIBLE PARTICIPANT**

11.1 During any 12-month period up to and including the date of grant, the total number of new Shares in issue and to be issued under all Options, RSUs and Awards granted or to be granted to any Eligible Participants under the Share Scheme and other share schemes involving the issue of new Shares (excluding any Options, RSUs and Awards lapsed in accordance with the Share Scheme and any other share schemes of the Company involving the issue of new Shares) shall not exceed 1% of the relevant class of Shares (excluding Treasury Shares) of the Company in issue then, unless such proposed grant has been approved by Shareholders at a general meeting and the Eligible Participant and its close associates or (if the Eligible Participant is a connected person) its associates must abstain from voting. The Company shall send a circular to the Shareholders containing the identity of the Eligible Participant, the numbers and terms of the Options and/or RSUs to be granted (and the Options and/or RSUs granted to the Eligible Participant during the 12-month period above) and the purposes of granting the Options and/or RSUs to the Eligible Participant with an explanation of how the conditions of grant of the Options and/or RSUs will serve the purpose. The numbers and terms (including the exercise price, if any) of the Options and/or RSUs to be granted shall be determined before Shareholders' approval. In terms of any Options to be granted, while determining the exercise price in accordance with paragraph 5 above, the date of the Board meeting on which the resolution of re-granting the Options is proposed will be deemed as the Options grant date.

**12. RIGHTS ON A GENERAL OFFER**

If there is any general offer made to all Shareholders, and such offer becomes or is declared unconditional (in the case of general offer) or is approved by sufficiently majority of the Shareholders at the relevant general meeting (in the case of scheme of arrangement), any unvested Options and/or RSUs shall lapse automatically. For the avoidance of doubt, the Board may propose that any unvested Options and/or RSUs will not lapse, and if the Board makes such proposal, the Company will comply with the approval requirements for the alternation of terms as required under Note 2 to Rule 23.03(18) of the GEM Listing Rules.

**13. RIGHTS ON WINDING UP**

If a valid resolution regarding the voluntary winding up of the Company (except for those in relation to reorganization, merger or debt settling arrangements) is passed during the valid period of the Share Scheme, any unvested Options and/or RSUs shall lapse automatically. For the avoidance of doubt, the Board may propose that any unvested Options and/or RSUs will not lapse, and if the Board makes such proposal, the Company will comply with the approval requirements for the alternation of terms as required under Note 2 to Rule 23.03(18) of the GEM Listing Rules.

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

If the Company and its Shareholders or creditors intended to reach a settlement or arrangement for the reorganization between the Company and any other companies or a merger plan with any other companies, and the Company has sent out a notice to its Shareholders to convene a general meeting to consider and, if thought fit, to approve such settlement or arrangement and Shareholders' approval has been obtained, any unvested Options and/or RSUs shall lapse automatically. For the avoidance of doubt, the Board may propose that any unvested Options and/or RSUs will not lapse, and if the Board makes such proposal, the Company will comply with the approval requirements for the alternation of terms as required under Note 2 to Rule 23.03(18) of the GEM Listing Rules.

**15. CHANGE OF SHARE CAPITAL OF THE COMPANY**

15.1 In the event of any alteration is made to the share capital of the Company (whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Option and/or RSU is still exercisable, the Board may (if it thinks fit) adjust the maximum number of Shares subject to the Share Scheme and/or the total number of Shares subject to outstanding Options and/or RSUs and/or the exercise price (if any) of each outstanding Option and/or RSU, and any such adjustment will be made on the basis that the aggregate exercise price (if any) payable by the Grantee on the full exercise of any Option and/or RSU will remain basically the same as (but shall not be greater than) it was before such adjustment, and such adjustment shall be made in accordance with the provisions as stipulated under Chapter 23 of the GEM Listing Rules and supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time and that no Share will be issued at less than its nominal value. Any necessary adjustment should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustment.

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### **APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME**

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- 15.2 Any such adjustment (except for those made for any capitalization issue) must be confirmed in writing to the Board by an independent financial advisor or auditor that such adjustment complies with the provisions set out in the GEM Listing Rules and this paragraph 15.
- 15.3 The capacity of the independent financial advisor or auditor referred to in this paragraph 15 is an expert and not an arbitrator and its certificate will be final and binding on the Company and the Grantees.
- 15.4 If there is any alteration in the capital structure of the Company as referred to in paragraph 15.1 above, the Company shall, upon receipt of a notice in connection with the exercise of Options and/or RSUs from the Grantee, inform the Grantee of such alteration and adjustment in accordance with the evidence made by the independent financial advisor or auditor, or if the Company obtains no such evidence, inform the Grantee of such circumstance and instruct auditor or the independent financial advisor to issue an evidence as soon as practicable.
- 15.5 The fees of the independent financial advisor or auditor shall be borne by the Company.

#### **16. CANCELLATION OF OPTIONS AND/OR RSUS GRANTED**

- 16.1 Any cancellation of Options and/or RSUs must be approved by the Board (including the approval of the independent non-executive Directors) and such Grantee. In the event that the Board elects to cancel Options and/or RSUs and issue new Options and/or RSUs to the same Grantee, the issue of Options and/or RSUs shall only be made with outstanding Options and/or RSUs within the Share Scheme Limit and/or the Service Provider Sublimit or the refreshed Share Scheme Limit and/or Service Provider Sublimit, as the case may be. The Options and/or RSUs cancelled will be regarded as utilized for the purpose of calculating the Share Scheme Limit and Service Provider Sublimit.
- 16.2 Unless the Grantee agrees, the Board may only cancel Options and/or RSUs (to the extent granted but not yet exercised) if:
- (a) the Company pays to the Grantee an amount equal to the fair market value of the Options and/or RSUs as at the date of cancellation as determined by the Board at its absolute discretion, after consultation with its auditors or the independent financial adviser appointed by the Board; or
  - (b) the Board offers to grant to the Grantee replacement Options and/or RSUs (or share options and/or restricted share units under any other share scheme of any member of the Group); or



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## APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME

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- (c) the Board makes compensation arrangements for the cancellation of the Options and/or RSUs which the Grantee may agree to.

16.3 For the avoidance of doubt, the above paragraph 16.2 does not apply to the Options and/or RSUs cancelled pursuant to the clawback mechanism under paragraph 9 above.

### 17. RESTRICTED COVENANTS

17.1 By accepting the Options and/or RSUs granted under the Share Scheme, the Grantee shall be deemed to have made the restrictive covenants set forth in this paragraph 17 to and for the benefit of the Group.

17.2 The Grantee hereby undertakes to the Group that he/she will not at any time whilst an employee of the Group (including the person to whom Options and/or RSUs to be granted under the Share Scheme to facilitate the employee contract to be entered into between him/her and the Group), Director, Shareholder, Related Entity Participant, Service Provider or otherwise interested in the Group (save in so far as reasonably necessary to fulfil his/her duties to the Group) or at any time thereafter, directly or indirectly use or disclose or communicate to any person any information concerning the affairs, operation methods, craftsmanship, systems, inventions, plans or research and development of the Group or those of its customers, clients or suppliers and which may be reasonably regarded as being confidential to the Group or to such persons (other than information which is required to be disclosed by law or which is for the relevant time being in the public domain other than by reason of wrongful disclosure of the same by him/her) and will use his/her best endeavours to prevent the publication or disclosure of any such information by any third party.

17.3 The Grantee undertakes to the Group that he/she will not, except with the prior written approval of the Company, directly or indirectly participate or engage or be interested in any other business which is in any respect in competition with or similar to the business of the Group during his/her employment with the Group or during the period which he/she serves as a Related Entity Participant and/or Service Provider under the Share Scheme.

17.4 The Grantee undertakes to the Group that:

- (a) for so long as he/she is employed by the Company or any other member within the Group, he/she will devote his/her full time and attention to the business of the Group and will use his/her best endeavours to develop the business and interests of the Group and will not be involved with any other (competitive or other) business; and

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### APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE SCHEME

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(b) upon he/she ceases (for any reason) to be employed by the Group, he/she will not for a period of two years from the date he/she ceases to be so employed, whether on his/her own account or on behalf of any other person, firm or company:

(i) solicit (in connection with any type of business then carried on by the Group), interfere with or endeavour to entice away from any member within the Group any person, firm or company who at any time during the period of one year immediately preceding such cessation, was to his/her knowledge a material customer, client, supplier, agent, distributor, or an employee (not being a junior employee) or consultant (by whatever title called) of a member within the Group;

(ii) attempt to interfere with the continuance of the supply of goods or services to any member within the Group or the terms of any such supply; or

(iii) carry on, engage in or participate or be interested in either as principal or agent or as a shareholder, partner or employee of any other person in any business or activity which involves the offer, sale or supply of products or services to customers in the PRC or any other territory in which the Group offers such sale or supply for the relevant time being, competes with the business in which any member within the Group is or was engaged in one year prior to the date he/she ceases to be employed by the Group; or

(iv) use or allow the use by any third party of any name, logo or other intellectual property rights used by any member within the Group or any name or logo likely to be confused therewith otherwise than in the conduct of the business of the Group; and

17.5 The Grantee undertakes to the Group that he/she shall not, during either the course of his/her employment with the Group or for a period of two years from the date he/she ceases to be employed by the Group, make, publish, or otherwise transmit any disparaging or defamatory statements, whether written or oral, regarding the Group or its employees, products, operations, procedures, policies, business or services.

**18. AMENDMENTS TO TERMS OF THE SHARE SCHEME**

18.1 The Share Scheme may be amended in any respect by a resolution of the Board, except such amendments relating to: (a) provisions of matters set out in Rule 23.03 of the GEM Listing Rules (those to the advantage of the Eligible Participants); or (b) alteration of the authority of the Board in relation to any amendment to the provisions of the Share Scheme; or (c) any material amendment to the terms of the Share Scheme, such amendments shall be subject to the approval of the Shareholders in a general meeting provided that no amendment may adversely affect the terms of any Option and/or RSU granted or agreed to be granted prior to such amendments unless it has been agreed or determined in writing by the Grantees that are interested in not less than three-fourths in nominal value of the Shares in respect of which all Options and/or RSUs have been granted under the Share Scheme.

18.2 Unless otherwise approved by the Stock Exchange, the Share Scheme so altered must comply with the requirements under relevant rules of the GEM Listing Rules (including but not limited to Chapter 23 of the GEM Listing Rules).

18.3 If the Options and/or RSUs granted to the Grantees were approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) when they were first granted, any alteration to the terms of such Options and/or RSUs afterwards shall be subject to the approval of the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). The abovementioned requirements do not apply if such alterations take effect automatically under the existing terms of the Share Scheme.

**19. TERMINATION**

The Company may terminate the Share Scheme at any time by a resolution in a general meeting. After the Share Scheme is terminated as mentioned above, no further Options and/or RSUs will be granted. Provisions of the Share Scheme shall remain to be in full force and effect in other aspects, in order to allow the Options and/or RSUs granted or exercised before the termination of the Share Scheme be implemented in accordance with the terms of the Share Scheme. All Options and/or RSUs granted but not yet exercised before termination shall remain effective and exercisable in accordance with the terms and conditions of the Share Scheme.

**20. CONDITIONS OF THE SHARE SCHEME**

The Share Scheme shall be effective upon the fulfilment of the following conditions:

- (a) the Shareholders having passed ordinary resolutions in a general meeting to approve the adoption of the Share Scheme and authorize the Board to grant Options and/or RSUs thereunder, and to allot and issue Shares upon the exercise of any Options and/or RSUs; and
- (b) the GEM Listing Committee of the Stock Exchange having approved the listing of and dealing in any Shares that may be allotted and issued upon the exercise of any Options and/or RSUs under the Share Scheme.

**21. MISCELLANEOUS**

Under the Share Scheme, references to new Shares include Treasury Shares and references to the issue of Shares include the transfer of Treasury Shares listed on the GEM.

\* *The Share Scheme is written in Chinese without an official English version. Therefore, the English translation above is for reference only. In case of inconsistency, the Chinese version shall prevail.*

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## NOTICE OF ANNUAL GENERAL MEETING

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**Linekong Interactive Group Co., Ltd.**

**藍港互動集團有限公司**

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

**(Stock Code: 8267)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Linekong Interactive Group Co., Ltd. (the “**Company**”) will be held at 17/F, Block 5, Chengying Center, Yard No. 5, Laiguangying West Road, Chaoyang District, Beijing, the PRC on Friday, May 16, 2025 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

### **Ordinary Resolutions**

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditors for the year ended December 31, 2024.
2. (A) To re-elect the following persons as directors of the Company by separate resolutions:
  - (i) Mr. WANG Jin (also known as YAN Yusong) as an executive director of the Company.
  - (ii) Mr. ZHANG Xiangdong as an independent non-executive director of the Company.
- (B) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
3. To re-appoint Baker Tilly Hong Kong Limited as independent auditors of the Company and to authorise the board of directors of the Company to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company (including any sale or transfer of Treasury Shares (as defined under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)), if any) or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds and warrants convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued (and Treasury Shares, if any, sold or transferred or agreed conditionally or unconditionally to be sold or transferred) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible

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## NOTICE OF ANNUAL GENERAL MEETING

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security issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) (subject to proportional adjustment as a result of share consolidation or subdivision) as at the date of passing this resolution, and the said approval shall be limited accordingly;

(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or

(3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company 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 expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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**(B) “THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on GEM of The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the GEM Listing Rules, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) (subject to proportional adjustment as a result of share consolidation or subdivision) as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of this resolution, any prior approvals of the kind referred to in paragraphs (i) of this resolution granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
  - (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company under resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate



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## NOTICE OF ANNUAL GENERAL MEETING

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number of shares of the Company (including any sale or transfer of Treasury Shares) which may be allotted, issued or otherwise dealt with by the directors of the Company pursuant to such general mandate an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted under resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount of shares of the Company shall not exceed 10 per cent of the number of issued shares of the Company (excluding Treasury Shares, if any) (subject to proportional adjustment as a result of share consolidation or subdivision) as at the date of passing of this resolution.”

5. To consider and approve the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (A) conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares of the Company which may fall to be allotted and issued pursuant to the exercise of any options and/or restricted share units granted under the share scheme (the “**Share Scheme**”) (a copy of which has been presented to the annual general meeting and initialled by the chairman of the annual general meeting for identification purpose), the Share Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorized to grant options and/or restricted share units and allot, issue and deal in (or transfer out of treasury) the shares of the Company as may be required to be allotted and issued (or transferred out of treasury) upon the exercise of any options and/or restricted share units granted under the Share Scheme; and to take all such steps as may be necessary or expedient to implement the Share Scheme; and
- (B) conditional upon the Share Scheme becoming effective, the Share Scheme Limit (as defined in the rules of the Share Scheme), being 10% of the total number of Shares in issue (excluding treasury shares, if any) as of the date of the adoption of the Share Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorized to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Share Scheme Limit.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and approve the following resolution as an ordinary resolution of the Company:

“**THAT** the Service Provider Sublimit (as defined in the rules of the Share Scheme), being 1% of the total number of Shares in issue (excluding treasury shares, if any) as of the date of the adoption of the Share Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorized to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

By order of the Board  
**Linekong Interactive Group Co., Ltd.**  
**WANG Feng**  
*Chairman*

Beijing, the PRC  
April 25, 2025

*Registered office:*  
Floor 4, Willow House  
Cricket Square  
P.O. Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Principal place of business in  
Hong Kong:*  
40th Floor  
Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (iii) In order to be valid, the form of proxy must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. before 10:30 a.m. on Wednesday, May 14, 2025) or any adjournment thereof. Completion and return

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## NOTICE OF ANNUAL GENERAL MEETING

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of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish and in such event, the form of proxy shall be deemed to be revoked.

- (iv) The transfer books and register of members of the Company will be closed from Tuesday, May 13, 2025 to Friday, May 16, 2025, both days inclusive, to determine the entitlement of the shareholders to attend and vote at the above meeting, during which period no share transfer can be registered. In order to qualify for attending and voting at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, May 12, 2025. Holders of the shares of the Company whose names appear on the register of members of the Company on Friday, May 16, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the above meeting.
- (v) In respect of ordinary resolution numbered 2(A) above, details of the named persons are set out in Appendix II to the circular of the Company dated April 25, 2025.
- (vi) In respect of ordinary resolution numbered 4(B) above, an explanatory statement containing the information as required by the GEM Listing Rules, is set out in Appendix I to the circular of the Company dated April 25, 2025.

*As at the date of this notice, the executive Directors of the Company are Mr. WANG Feng and Mr. WANG Jin (also known as YAN Yusong); and the independent non-executive Directors of the Company are Mr. ZHANG Xiangdong, Ms. WU Yueqin and Mr. FU Frank Kan.*

*This notice, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this notice 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 notice misleading.*

*This notice will remain on the "Latest Listed Company Information" page of the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and be posted on the website of the Company at [www.linekong.com](http://www.linekong.com).*