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**創輝珠寶集團控股有限公司**  
**Chong Fai Jewellery Group Holdings Company Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 8537)**

**(1) PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
(2) CONDITIONAL GRANT OF OPTIONS UNDER THE  
2025 SHARE OPTION SCHEME**

**INTRODUCTION**

The Board is pleased to announce that on 28 April 2025 (after trading hours), the Board resolved to (i) propose the termination of the Existing Share Option Scheme; (ii) propose the adoption of the 2025 Share Option Scheme; and (iii) conditionally grant certain share options under the 2025 Share Option Scheme, subject to the approval of the Shareholders of such grant at the EGM and the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may be issued in respect of all Share Options to be granted in accordance with the terms and conditions of the 2025 Share Option Scheme.

**PROPOSED ADOPTION OF THE 2025 SHARE OPTION SCHEME AND TERMINATION  
OF THE EXISTING SHARE OPTION SCHEME**

As at the date of this announcement, the Company operates the Existing Share Option Scheme which was adopted by the Company on 6 March 2019 and is valid and effective for a period of ten (10) years from the date of adoption. Pursuant to the Existing Share Option Scheme, the Company may by resolution in general meeting at any time early terminate its operation. The Company had further adopted a share award scheme on 19 March 2021 (the “**Share Award Scheme**”). As at the date of this announcement, no options have been granted under the Existing Share Option Scheme and no awards have been granted under the Share Award Scheme. Save for the Existing Share Option Scheme and the Share Award Scheme, as at the date of this announcement, the Company does not maintain any other share schemes.

In view of the amendments to Chapter 23 of the GEM Listing Rules which have taken effect from 1 January 2023 and with a view to providing more flexibility in long term planning of granting of share options in order to provide appropriate incentives or rewards to its employees and directors, the Board proposes to terminate the Existing Share Option Scheme and adopt the 2025 Share Option Scheme. Accordingly, the termination of the Existing Share Option Scheme is subject to the approval of the adoption of the 2025 Share Option Scheme at the EGM.

The 2025 Share Option Scheme will constitute a share scheme involving grant of options over new Shares under the amended Chapter 23 of the Listing Rules which have taken effect from 1 January 2023 (the “**Amended Chapter 23**”) and will take effect subject to and conditional upon (i) the passing of the necessary resolutions to adopt the 2025 Share Option Scheme by the Shareholders in a general meeting of the Company; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued by the Company pursuant to the exercise of any such share options in accordance with the terms and conditions of the 2025 Share Option Scheme. The provisions of the 2025 Share Option Scheme will comply with the requirements of Amended Chapter 23.

The terms of the 2025 Share Option Scheme are extracted and summarised in the appendix of this announcement, while additional details will be included in a circular to be sent to the Shareholders.

### **Purpose and Eligible Participants of the 2025 Share Option Scheme**

The purpose of the 2025 Share Option Scheme is to recognise and acknowledge the contributions the Eligible Participants have had or may have made to the Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives (i) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going employment and/or business relationships with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

The eligible participants of the 2025 Share Option Scheme are expected to include the following:

- (i) employee participants, being directors and employees (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted options under the 2025 Share Option Scheme as an inducement to enter into employment contracts with these companies);
- (ii) related entity participants, being directors and employees (whether full time or part time employee) of any holding companies, fellow subsidiaries or associated companies of the Company; and

- (iii) service provider participants, being persons providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business, which are in relation to and in support of the development and long-term growth of the business activities of the Group as determined by the Board in its sole and absolute discretion in accordance with the terms of the 2025 Share Option Scheme but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

Further details regarding the basis for assessing the eligibility of the relevant eligible participants under the 2025 Share Option Scheme will be set out in the circular of the EGM.

### **Conditions precedent of the 2025 Share Option Scheme**

The 2025 Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon:

- (i) the passing of the relevant ordinary resolution(s) by the Shareholders at the EGM to approve the termination of the Existing Share Option Scheme and the adoption of the 2025 Share Option Scheme and to authorise the Directors to grant Options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of any Options granted in accordance with the rules of the 2025 Share Option Scheme; and
- (ii) the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the exercise of any Option in accordance with the rules of the 2025 Share Option Scheme.

### **CONDITIONAL GRANT OF OPTIONS UNDER THE 2025 SHARE OPTION SCHEME**

On 28 April, 2025, the Board (except Mr. Fu, Ms. Cheung, Ms. Fu and Mr. Fu Ho Hon where each of them is an executive Director being Grantees or the Grantees' associates under the GEM Listing Rules and thereby be regarded as interested in the Conditional Grant, have abstained from voting in the Conditional Grant) resolved to, among other things, conditionally grant an aggregate of 60,000,000 Options to the Grantees pursuant to the 2025 Share Option Scheme. The Conditional Grant is subject to the approval by the Shareholders at the EGM.

## Details of the Conditional Grant of Options

Grant Date	:	28 April 2025
Number of Options granted	:	A total of 60,000,000 Options were conditionally granted
Exercise price of the Options granted	:	HK\$0.142, which is the highest of: <ul style="list-style-type: none"><li>(a) the closing price of HK\$0.142, per Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date;</li><li>(b) the average closing price of approximately HK\$0.126, per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Grant Date; and</li><li>(c) nominal value of Share of HK\$0.10</li></ul>
Closing Price of the Shares on the date of grant	:	HK\$0.142 per Share
Exercise period of the Options	:	Ten (10) years from the Grant Date
Consideration for Acceptance of Options	:	HK\$1.00 to be paid by each Grantee upon acceptance of the grant of the Options
Vesting period of the Options	:	Batch 1 Options shall be vested on the Grant Date.

The remuneration committee of the Company (exclude Mr. Fu) (the “**Remuneration Committee**”) consider that a vesting period of less than 12 months for Batch 1 Options is appropriate and consistent with the purpose of the 2025 Share Option Scheme, taking into account that (i) the Grantees (in respect of Batch 1 Options) are directors, senior management of the Group, their length of employment/cooperation with the Group and with reference to their roles within the Group, contribution to the development and growth of business of the Group; (ii) it serves to give an immediate incentivizing effect to the Grantees which would be a more attractive motivation for them to continue to serve such roles and contribute to the Group's business.

100% of Batch 2 Options shall be vested on the date falling on the 1st anniversary of the Grant Date. The Remuneration Committee or the Directors shall have the authority to determine a shorter vesting period, if the Remuneration Committee or the Directors consider that a shorter vesting period is appropriate to align with the purpose of the 2025 Share Option Scheme, subject to the terms as described therein.

Performance Target : The vesting and the exercise of Batch 1 Options and Batch 2 Options will not be subject to any performance targets.

The Remuneration Committee considers that the grant without performance target is appropriate, aligns the interest of the Grantees with that of the Company and the Shareholders and is consistent with the purpose of the 2025 Share Option Scheme, taking into account that (i) the purpose of the Share Option Scheme is to, among others, allow the Company to grant share options to the eligible participants as rewards or incentives for their contributions to the Group; and/or to recruit and retain high calibre eligible participants and attract human resources that are valuable to the Group.; (ii) it serves to give an immediate incentivizing effect to the Grantees which would be a more attractive motivation for them to continue to serve such roles and contribute to the Group's business; (iii) the value of the Options shall be subject to the future market price of the Shares, which in turn depends on the business performance of the Group, to which the Grantees would directly contribute which could ensure that they would be motivated to contribute to the Company's development; and (iv) it forms the part/whole remuneration package of Grantees (whole remuneration package in respect of Batch 2 Options).

Clawback mechanism : The Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to the clawback upon the occurrence of any of the following events in relation to a Grantee:

- (a) the Grantee being involved in any wrongdoing involving 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) the Grantee's employment being terminated summarily;
- (d) the Grantee being convicted of any criminal offence involving his integrity or honesty; or;
- (e) if a grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

Financial support : There are no arrangements for the Company or any of its subsidiaries to provide financial support to eligible participants to facilitate their respective purchase of Shares under the Conditional Grant.

### Information on the Grantees

Among the total of 60,000,000 Options conditionally granted, 31,200,000 Options were conditionally granted to certain Directors and substantial shareholder of the Company and 28,800,000 Options were conditionally granted to other employees of the Group, the details of which are as follows:

Name of Grantees	Position(s) held with the Company	Category	Number of Options granted
Mr. Fu Chun Keung	executive Director, chief executive officer, chairman	Batch 1 Options	15,000,000
Ms. Cheung Lai Yuk	executive Director	Batch 1 Options	10,200,000
Mr. Fu Ho Hon	executive Director	Batch 1 Options	6,000,000
3 employees of the Group		Batch 1 Options	9,000,000
7 employees of the Group		Batch 2 Options	<u>19,800,000</u>
Total			<u><u>60,000,000</u></u>

## **Individual Limit, Scheme Mandate Limit and number of options or shares available for future grant upon the Conditional Grant**

### **(i) Individual Limit**

Pursuant to the 2025 Share Option Scheme, if any grant of Options to an Eligible Participant would result in the Shares issued and to be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in any twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding Treasury Shares) (the “**Individual Limit**”), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. Further, each grant of Options to any of the Directors, chief executive of the Company or substantial Shareholder (as defined in the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee of the Option (if any)).

The independent non-executive Directors have approved the Conditional Grant to Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon, each being a Grantee, an executive Director and a Substantial Shareholder. Such Conditional Grant is subject to the Shareholders’ approval at the EGM.

As at the date of this announcement, there were 300,000,000 Shares in issue. The percentage of the Shares to be issued in respect of the Options conditionally granted to those Grantees which exceed the Individual Limit, to the number of Shares in issue as at the date of this announcement are set out as follows:

<b>Name of Grantees</b>	<b>Number of Options granted</b>	<b>% of the Shares in issue as at the date of this announcement</b>
Mr. Fu Chun Keung	15,000,000	5.0%
Ms. Cheung Lai Yuk	10,200,000	3.4%
Mr. Fu Ho Hon	6,000,000	2.0%

**(ii) *Scheme Mandate Limit and number of options or shares available for future grant upon the Conditional Grant***

Pursuant to the 2025 Share Option Scheme, the total number of Options which may be issued in respect of the 2025 Share Option Scheme would be no more than 30,000,000 Shares, representing no more than 10% of the total number of Shares in issue. The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

As at the date of this announcement, assuming that all the Grantees exercise the option in full, an aggregate of 60,000,000 Shares will be issued, representing 20.0% of the total issued Shares of the Company, which shall exceed the Scheme Mandate Limit pursuant to the 2025 Share Option Scheme. As such, the Conditional Grant is subject to the Shareholders' approval at the EGM and there will be no available Options or Shares for future grant after the Conditional Grant.

**Purposes of the Conditional Grant Pursuant to the 2025 Share Option Scheme**

The purpose of the Share Option Scheme is to enable the Company to grant share options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to attract, retain, reward, remunerate, compensate and/or provide benefits to the eligible participants. The Board (including the independent non-executive Directors and excluding Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon in respect of the grant of the relevant Options to himself/herself) believes that the Conditional Grant to the above Grantees provides motivations for them to continue to create value for the Group without increasing the operating costs of the Company, in particular the Grantees in respect of Batch 2 Options. While determining the Conditional Grant, the Board (including the independent non-executive Directors and excluding Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon in respect of the grant of the relevant Options to himself/herself) has taken into account, (i) each Grantee's length of employment/cooperation with the Group and with reference to their roles with the Group, contribution to the development and growth of business of the Group; (ii) it serves to give an immediate incentivizing effect to the Grantees which would be a more attractive motivation for them to continue to serve such roles and contribute to the Group's business; (iii) each Grantee existing remuneration package, and believes that the benefits of the Company outweighs the dilution impacts to the existing issued shares; and (iv) since the incorporation of the Company and adoption of the Existing Share Option and the Share Award Scheme, there is no share-based awards or options have been granted. The Remuneration Committee (excluding Mr. Fu) considers that the respective vesting condition and no performance target attached under the Conditional Grant is appropriate and consistent with the purpose of the schemes.

The Board has considered other alternative methods to reward the management of the Company including cash reward and share award, in terms of cash reward, given that the Company is currently undergoing expansion which requires sufficient capital, the Board is of the view that applying cash reward is not suitable, in terms of share award, share award provides actual shares with immediate value upon vesting, whereas share option provides the right to buy shares and requires exercising to realise value to be shareholder and therefore is more suitable for Company's intention to incentivize the management to improve Company performance to increase the stock price with less direct dilution impact as compared to the share award. As such, the Board is of the view that applying share award is not suitable.

In light of the above, the Board (including the independent non-executive Directors and excluding Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon in respect of the grant of the relevant Options to himself/herself). considers that the number of Options, the terms and conditions of the Options in relation to the Conditional Grant are fair and reasonable, and are aligned with the purpose of the 2025 Share Option Scheme and the long term interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

The 2025 Share Option Scheme constitutes a share scheme under Chapter 23 of the GEM Listing Rules. In accordance with the GEM Listing Rules, a share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in a general meeting. Accordingly, the adoption of the 2025 Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

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 in respect of all Share Options to be granted under the 2025 Share Option Scheme.

Pursuant to Rule 23.03B(1) of the GEM Listing Rules, the scheme mandate limit of the proposed Share Option Scheme must not exceed 10% of the relevant class of shares of the listed issuer in issue as at the date of approval of the relevant scheme. As at the date of this announcement, there were 300,000,000 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the EGM and after the resolutions regarding the proposed adoption of the Share Option Scheme are passed at the EGM, the total number of Options which may be issued in respect of the Share Option Scheme would be no more than 30,000,000 Shares, representing no more than 10% of the total number of Shares in issue as at the date of the adoption of the 2025 Share Option Scheme. As at the date of this announcement, the Options to be granted by the Company represent approximately 20.0% of the total issued Shares of the Company. Therefore, number of Options or Shares available for future grant after Conditional Grant will be nil.

Pursuant to Rule 23.03C(3) of the GEM Listing Rules, the Company will seek separate approval by the Shareholders in the EGM for Conditional Grant beyond the scheme mandate limit 10% to participants specifically identified by the Company. The Company will send a circular to the shareholders containing the name of each specified participant who will be granted such options, the number and terms of the options to be granted to each participant, and the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose.

Pursuant to Rule 23.03D(1) of the GEM Listing Rules, where any grant of options or awards to a participant would exceed the 1% Individual Limit, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Pursuant to Rule 23.04(1) of the GEM Listing Rules, any grant of options or awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options or awards). The Conditional Grant had been approved by all the independent non-executive Directors.

Since the grant of Options to each of Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon would exceed the 1% Individual Limit, the Conditional Grant to Mr. Fu, Ms Cheung and Mr. Fu Ho Hon is subject to the Independent Shareholders' approval at the EGM.

Pursuant to Rule 23.04(3) of the GEM Listing Rules, where any grant of Share Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all options granted (excluding any options lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders in general meeting in the manner set out in Rule 23.04(4) of the GEM Listing Rules.

As the total number of Options to be granted to Mr. Fu, Ms. Cheung, Mr. Fu Ho Hon, being the substantial shareholders of the Company (and their associates), represents approximately 5%, 3.4% and 2% respectively of the Shares in issue would, in a 12-month period aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders in general meeting in the manner set out in Rule 23.04(4) of the GEM Listing Rules.

Pursuant to Rule 23.04(4) of the GEM Listing Rules, the Grantees and their respective associates and all core connected persons of the Company shall abstain from voting in favour of the resolution approving the Conditional Grant. As such, the Grantees (including Mr. Fu, Ms. Cheung and Mr. Fu Ho Hon) and Ms. Fu, being the associates of Grantee, shall abstain from voting. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, save for the persons set out above, no Shareholder has a material interest in the Conditional Grant and is required to abstain from voting on the resolution approving the Conditional Grant at the EGM.

## GENERAL

A circular containing, among other things, (i) details of the proposed adoption of the 2025 Share Schemes and termination of Existing Share Option Scheme; (ii) conditional grant of share options under the 2025 Share Option Scheme; and (iii) the notice convening the EGM will be despatched to the Shareholders in due course.

**The proposed adoption of the 2025 Share Option Scheme and Conditional Grant are subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing with the Company's securities.**

## DEFINITIONS

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

“2025 Share Option Scheme”	the 2025 Share Option Scheme proposed to be approved by the Shareholders at the EGM;
“Adoption Date”	being the date on which the 2025 Share Option Scheme is conditionally adopted by the Shareholders;
“Associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Chong Fai Jewellery Group Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Conditional Grant(s)”	The proposed conditional grant of 60,000,000 Options under the 2025 Share Option Scheme, which are subject to the approval of Independent Shareholders at the EGM
“Director(s)”	the director(s) of the Company
“EGM”	The extraordinary general meeting of the Company to consider and, if thought fit, approve, among other things, the proposed adoption of the 2025 Share Option Scheme, termination of Existing Share Option Scheme and Conditional Grant of Options under the 2025 Share Option Scheme

“Eligible Person(s)”	(i) any Employee Participant; (ii) any director or employee of a Related Entity; and (iii) any Service Provider
“Employee Participant(s)”	any director (including executive, non-executive and independent non-executive director) or employee of any member of the Group (including persons who are granted options under the 2025 Share Option Scheme as an inducement to enter into employment contracts with these companies)
“Existing Share Option Scheme”	the Share Option Scheme adopted by the Company on 6 March 2019;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Grant Date”	the date of conditionally grant of a Share Option pursuant to the 2025 Share Option Scheme
“Grantee(s)”	means any Eligible Person who is conditionally granted an Offer in accordance with the terms of the 2025 Share Option Scheme;
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region
“Ms. Cheung”	Ms. Cheung Lai Yuk, an executive Director
“Mr. Fu”	Mr. Fu Chun Keung, the chairman of the Company and an executive Director
“Ms. Fu”	Ms. Fu Wan Ling, an executive Director
“Independent Shareholders”	The Shareholders of the Company, other than Mr. Fu, Ms. Fu, Ms. Cheung and Mr. Fu Ho Hon, their respective associates and other core connected persons of the Company;
“Offer”	the offer of the grant of a Share Option pursuant to the 2025 Share Option Scheme

“Option(s)”	share option(s) granted to a grantee to subscribe for Shares pursuant to the terms of the 2025 Share Option Scheme;
“Related Entity”	a holding company (as defined in the GEM Listing Rules), a fellow subsidiary (“subsidiary” as defined in the GEM Listing Rules) or an associated company of the Company
“Related Entity Participant(s)”	any Eligible Person who is a director or an employee of a Related Entity
“Scheme Mandate Limit”	the limit on the total number of Shares which may be allotted and issued in respect of (i) all Share Options and Share Awards; (ii) all share options and all share awards that may be granted under any other Schemes, which must not exceed 10% of the total number of Shares in issue as at the Adoption Date
“Selected Participant(s)”	any Eligible Person(s) selected by the Board in accordance with the terms of the 2025 Share Option Scheme
“Service Provider(s)”	person(s) who provide services to any member of 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, which include any independent distributor, contractor, supplier, agent, consultant, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer who provide assurance, or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category
“Service Providers Limit”	where the Selected Participants include Service Provider(s), the limit on the total number of Shares which may be allotted and issued in respect of (i) all Share Options and Share Awards; (ii) all share options and all share awards that may be granted under any other Schemes, which must be set within the Scheme Mandate Limit as at the Adoption Date
“Share Option(s)”	a right to subscribe for Shares pursuant to the 2025 Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

“Shareholder(s)” the holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board  
**Chong Fai Jewellery Group Holdings Company Limited**  
**Fu Chun Keung**  
*Chairman*

Hong Kong, 28 April 2025

*As at the date of this announcement, the executive Directors are Mr. Fu Chun Keung, Ms. Cheung Lai Yuk, Ms. Fu Wan Ling and Mr. Fu Ho Hon; and the independent non-executive Directors are Mr. Chan Chi Ming Tony, Mr. Chan Cheong Tat and Mr. Wong Wing Keung Meyrick.*

## **APPENDIX – SUMMARY OF THE EXTRACTED TERMS OF THE 2025 SHARE OPTION SCHEME**

Set out below is a summary of the extracted terms of the 2025 Share Option Scheme.

### **1. PURPOSES**

The purpose of the Scheme is established to recognise and acknowledge the contributions the Eligible Participants have had or may have made to the Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives (i) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

### **2. PARTICIPANTS**

The Board may, in its absolute discretion, grant options to any Eligible Person comprise: (i) any Employee Participant; (ii) any director or employee of a Related Entity; and (iii) any Service Provider.

### **3. PRICE OF SHARES**

The subscription price for Shares under the 2025 Share Option Scheme will be a price determined by the Board and notified to an Eligible Person.

The subscription price will be the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Grant Date, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Grant Date.

#### 4. MAXIMUM NUMBER OF SHARES

- (i) the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under this Scheme, all awards which may be granted at any time under the share award scheme of the Company (the “**Share Award Scheme**”) (if any), together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals 10% of the issued share capital of the Company (excluding Treasury Shares) as at the Adoption Date (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).
- (ii) within the Scheme Mandate Limit, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all Options which may be granted at any time under this Scheme, all awards which may be granted at any time under the Share Award Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed such number of Shares as equals to 5% of the issued share capital of the Company (excluding Treasury Shares) as at the Adoption Date (the “**Service Provider Sublimit**”).
- (iii) the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under this Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment). However, the total number of Shares which may be issued (including any Treasury Shares which may be transferred, as applicable) upon exercise of all options and awards to be granted under this Scheme, the Share Award Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 10% of the relevant class of Shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit. For the purpose of seeking approval of Shareholders under this sub-paragraph 4(iii), the Company must send a circular to its Shareholders containing the information required under the GEM Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.

(iv) the Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph 4(iv), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and such other information as required under the GEM Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

## **5. GRANT OF SHARE OPTIONS TO CONNECTED PERSONS**

Any grant of Options to any of the Directors, chief executive of the Company or substantial Shareholder (as defined in the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee of the Option (if any)).

Where any grant of Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued (including any Treasury Shares which may be transferred, as applicable) in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued Shares (excluding Treasury Shares), such further grant of Options must be approved by the Shareholders in a general meeting of the Company in the manner set out below. The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 23.04(1) of the GEM Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the GEM Listing Rules.

## **6. VESTING SCHEDULE**

An Option must be held by the Grantee for at least twelve (12) months (the “**Vesting Period**”) before the Option can be exercised. Provided that where the Eligible Participant is an Employee Participant, the Remuneration Committee (in the case where the Employee Participant is a Director or a senior manager of the Company) or the Directors (in the case where such Employee Participant is neither a Director nor a senior manager) shall have the authority to determine a

shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the 2025 Share Option Scheme, including where:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (f) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Offer Date and the last batch to vest twelve (12) months after the Offer Date; and
- (g) where there is an occurrence of any of the events regarding general offer, winding up, reconstruction, compromise or arrangement.

## **7. PERFORMANCE TARGETS**

Subject to the terms and conditions of this Scheme, the Directors may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised and/or establish performance targets against the attainment of which the Options granted to the Eligible Participant concerned may be exercised either in whole or in part. The Directors shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during an Option Period due to any change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Directors.

If any performance targets are imposed in the offer letter of the grant of the relevant Option, the Board will have regard to the purpose of this Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in terms of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate suitability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

## **8. CLAWBACK MECHANISM**

The Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to the clawback mechanism that if any of the following events (“**Clawback Events**”) shall occur during an Option Period:

- (a) the Grantee being involved in any wrongdoing involving 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) the Grantee’s employment being terminated summarily;
- (d) the Grantee being convicted of any criminal offence involving his integrity or honesty; or;
- (e) if a grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

## **9. PERIOD OF THE SCHEME**

The 2025 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

The circular to be sent to the Shareholders will set out further details of the terms of the 2025 Share Option Scheme.