

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

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

If you have sold or transferred all your shares in Vobile Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, 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.

---



### Vobile Group Limited 卓博集團有限公司

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

(Stock Code: 3738)

## (1) CONDITIONAL GRANT OF SHARE OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE, AND SUBSTANTIAL SHAREHOLDER UNDER THE SHARE OPTION SCHEME, (2) REFRESHMENT OF SCHEME MANDATE LIMIT, AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

---

A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at Suite 3712, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, March 18, 2021 at 3:00 p.m. is set out on pages 33 to 35 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.vobilegroup.com>).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time for holding the EGM (i.e. 3:00 p.m. (Hong Kong time) on Tuesday, March 16, 2021) or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

#### PRECAUTIONARY MEASURES FOR THE EGM

In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks
- complete and submit health declarations
- compulsory wearing of surgical face masks and social distancing
- no provision of refreshments and corporate gifts

Any person who does not comply with the precautionary measures will be denied entry into the EGM venue. All attendees are requested to wear surgical face masks at all times at the EGM venue. Shareholders are reminded to exercise their voting rights at the EGM by appointing the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.

March 1, 2021

---

## CONTENTS

---

	<i>Page</i>
<b>Precautionary measures for the EGM</b> .....	1
<b>Definitions</b> .....	2
<b>Letter from the Board</b> .....	8
<b>Notice of EGM</b> .....	33

---

## PRECAUTIONARY MEASURES FOR THE EGM

---

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff, and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attending Shareholder, proxy, and other attendees at the entrance of the EGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) All attending Shareholders, proxies, and other attendees are required to complete and submit at the entrance of the EGM venue a declaration form confirming their names and contact details, and be asked whether (a) they have travelled to, or to their best of knowledge had close contact with any person who has recently travelled to, areas outside of Hong Kong at any time in the preceding 14 days of the EGM; and (b) they are subject to any compulsory quarantine prescribed by the Hong Kong Government. Any person who responds affirmatively to any one of the above questions will be denied entry into the EGM venue or be required to leave the EGM venue.
- (iii) All attendees are requested to wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees.
- (iv) No refreshments and corporate gifts will be provided.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM. In the interests of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, **Shareholders are reminded that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by completing form of proxy in accordance with the instructions printed thereon, Shareholders may appoint the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.**

---

## DEFINITIONS

---

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

“Acquisition”	any merger of a corporation or other entity with or into the Company by the Company of a corporation or other entity, or purchase by the Company of eighty percent (80%) or more of the assets of a corporation or other entity
“Adjusted EBITDA”	the Company’s earnings (loss) attributable to Shareholders before interest expense, provision (benefit) for income taxes, depreciation and amortization, equity settled share option expenses, and other one-off expenses. Adjusted EBITDA will be calculated using a methodology consistent with methodology used to calculate the “Adjusted EBITDA” in the Company’s annual reports and/or interim reports
“Annual Adjusted EBITDA of the Company on a Determination Date”	Adjusted EBITDA as reported to the public by the Company in its financial statements covering the twelve-month period most recently reported to the public prior to the Determination Date. Since the Company currently reports semi-annually, the Adjusted EBITDA would be calculated based on the two most recent fiscal half-years either (a) using the most recent annual report if there had been no intervening interim report or otherwise (b) derived by addition of the six-month financial results in the most recent interim report and the twelve-month results in the most recent annual report, and subtracting the six-month financial results of the comparative period in the most recent interim report (which is the first six months of the prior fiscal year). If the Company changes to a quarterly reporting in the future, the Adjusted EBITDA would be calculated analogously based on the four most recent fiscal quarters from the most recent quarterly report and/or annual report of the Company

---

## DEFINITIONS

---

“Annual Revenue of the Company on a Determination Date”	the Company’s total revenues, as reported by the Company in its financial statements covering the twelve-month reporting period ended most recently prior to the Determination Date. Since the Company currently reports semi-annually, the annual revenue would be calculated based on the two most recent fiscal half-years either (a) using the most recent annual report if there had been no intervening interim report or otherwise (b) derived by addition of the six-month financial results in the most recent interim report and the twelve-month results in the most recent annual report, and subtracting the six-month financial results of the comparative period in the most recent interim report (which is the first six months of the prior fiscal year). If the Company changes to a quarterly reporting in the future, the annual revenue would be calculated analogously based on the four most recent fiscal quarters from the most recent quarterly reports and/or annual report of the Company
“associate”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“Change in Control”	an External Change in Control or an Internal Change in Control
“Closing Date Market Capitalization”	the lesser of the Daily Market Capitalization on the closing date of an Acquisition or Spin-Off or the average of the Daily Market Capitalization on the five trading days prior to such closing date
“Company”	Vobile Group Limited (阜博集團有限公司), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Conditional Grant”	the conditional grant of the Share Options by the Board to Mr. Wang to subscribe for 28,000,000 Shares pursuant to the Share Option Scheme
“core connected person(s)”	has the same meaning as defined in the Listing Rules
“Daily Market Capitalization”	the product of (a) the total number of outstanding Shares as of the close of such trading day, as reported by the Company’s transfer agent, and (b) the closing price per Share as of the close of such trading day, as reported by the Stock Exchange

---

## DEFINITIONS

---

“Date of Conditional Grant”	January 12, 2021
“Determination Date”	a date on which the exercisability of the Share Options is determined, which shall be a day on which the Stock Exchange is open for trading
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Conditional Grant of Share Options and the Refreshment of Scheme Mandate Limit
“External Change in Control”	<p>an External Change in Control occurs if a mandatory offer under Rule 26 of the Takeovers Code is triggered under the following circumstances:</p> <ul style="list-style-type: none"><li>(a) if the Company merges with or into another entity; or</li><li>(b) if the Company transfers eighty percent (80%) or more of its assets (e.g. its major operating subsidiaries) to a third party,</li></ul> <p style="padding-left: 40px;">in each case of (a) and (b), such merger or transfer results in any Shareholder(s) of the surviving entity holding a majority (i.e. above 50%) of the outstanding shares of the surviving entity immediately after such transaction; or</p> <ul style="list-style-type: none"><li>(c) a Shareholder, together with that Shareholder’s associates and affiliated persons, first becomes the owner of thirty percent (30%) or more of the Shares of the Company</li></ul>
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than those who are required to abstain from voting on the resolutions at the EGM approving the transactions contemplated thereunder

---

## DEFINITIONS

---

“Internal Change in Control”	an Internal Change in Control occurs if the Board terminates the position of Mr. Wang both as the Chief Executive Officer of the Group and an executive Director of the Company or Mr. Wang’s employment with the Group terminates due to his death or disability. For the avoidance of doubt, Mr. Wang’s voluntary resignation as the Chief Executive Officer of the Group and an executive Director of the Company would not constitute an Internal Change in Control
“Latest Practicable Date”	February 25, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Market Capitalization of the Company on a Determination Date”	the lower of the Six-Month Market Cap on the Determination Date or the Thirty-Day Market Cap on the Determination Date
“Market Capitalization Milestone”	the milestones for exercisability of the Tranches of the Share Options comprising the achievement of increases in Market Capitalization of the Company on a Determination Date in nine US\$1 billion increments
“Mr. Wang”	Mr. Yangbin Bernard WANG
“Mr. Wargo”	Mr. J. David WARGO
“Mr. Witte”	Mr. Michael Paul WITTE
“Mr. Wong”	Mr. WONG Wai Kwan
“Operational Milestones”	the vesting criteria for a Tranche of the Share Option relating to Annual Revenue of the Company on a Determination Date or Annual Adjusted EBITDA of the Company on a Determination Date
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the share option scheme of the Company adopted on December 30, 2016

---

## DEFINITIONS

---

“Purchase Price”	for each Acquisition, the purchase price as determined reasonably and in good faith by the Board or its Remuneration Committee, excluding the vote of Mr. Wang, taking into account, without limitation, the value of consideration paid or issued, future payments to be paid, assets acquired, or liabilities discharged or assumed by the Company in the Acquisition
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit at the EGM
“Scheme Mandate Limit”	the total number of Shares which may be allotted and issued upon exercise of all options to be granted by the Board under the Share Option Scheme and any other share option scheme(s) of the Company to subscribe up to 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, the total number of Shares which may be allotted and issued upon exercise of all options to be granted shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Option(s)”	the options granted or to be granted under the Share Option Scheme or any other schemes of the Company to subscribe for the Shares
“Share Option Scheme”	the post-IPO share option scheme of the Company adopted on December 8, 2017
“Six-Month Market Cap”	the sum of the Daily Market Capitalization of the Company for each trading day during the six-calendar-month period immediately prior to and including the Determination Date, divided by the number of trading days during such period
“Spin-Off”	any split-up, spin-off, or divestiture transaction by the Company
“Spin-Off Value”	for each Spin-Off, the enterprise value of the split-up, spun-off or divested portion of the Company (the “Spun-Off Entity”), as determined reasonably and in good faith by the Board, excluding the vote of Mr. Wang

---

## DEFINITIONS

---

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning as defined in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“Thirty-Day Market Cap”	the sum of the Daily Market Capitalization of the Company for each trading day during the thirty calendar day period immediately prior to and including the Determination Date, divided by the number of trading days during such period
“Tranche”	one of nine equal portions of the Conditional Grant of Share Options comprising 3,111,111 Share Options, with the last Tranche having one additional Share Option
“US”	The United States of America
“US\$”	US dollars, the lawful currency of US
“%”	per cent

*For the purpose of this circular, amounts denominated in US\$ have been converted to HK\$ at an exchange rate of US\$1.00 to HK\$7.75. This exchange rate is for illustrative purposes only and should not be construed as a representation that amounts in US\$ could be converted into HK\$ at such rate.*

---

LETTER FROM THE BOARD

---



**Vobile Group Limited**  
**阜博集團有限公司**

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

**(Stock Code: 3738)**

*Executive Directors:*

Mr. Yangbin Bernard WANG (*Chairman*)  
Mr. Michael Paul WITTE

*Non-executive Directors:*

Mr. J David WARGO  
Mr. WONG Wai Kwan

*Independent non-executive Directors:*

Mr. CHAN King Man Kevin  
Mr. Derek CHANG  
Mr. Alfred Tsai CHU  
Mr. Charles Eric EESLEY

*Registered office:*

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

*Headquarters and principal place  
of business in Hong Kong:*

Suite 3712, 37/F, Tower Two  
Times Square, 1 Matheson Street  
Causeway Bay  
Hong Kong

*Headquarters and principal place  
of business in the US:*

2880 Lakeside Drive, Suite 360  
Santa Clara, CA 95054  
United States

March 1, 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) CONDITIONAL GRANT OF SHARE OPTIONS TO A DIRECTOR,  
CHIEF EXECUTIVE, AND SUBSTANTIAL SHAREHOLDER  
UNDER THE SHARE OPTION SCHEME,  
(2) REFRESHMENT OF SCHEME MANDATE LIMIT,  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

We refer to the announcement of the Company dated January 12, 2021 in relation to the Conditional Grant of Share Options. The purpose of this circular is to provide you with (i) details of the Conditional Grant of Share Options; (ii) details of the Refreshment of Scheme Mandate

---

## LETTER FROM THE BOARD

---

Limit; and (iii) the notice of the EGM at which resolutions will be proposed to consider and, if thought fit, to approve the Conditional Grant of Share Options and the Refreshment of Scheme Mandate Limit.

### (I) CONDITIONAL GRANT OF SHARE OPTIONS

The Board announced on January 12, 2021 that, conditional on approval by the Independent Shareholders at the EGM, it has granted 28,000,000 Share Options to Mr. Wang, the Chairman of the Board, an executive Director, the Chief Executive Officer of the Group and a substantial Shareholder, to subscribe for 28,000,000 Shares pursuant to the Share Option Scheme. The total of 28,000,000 Shares to be subscribed under the Share Options granted represents 6.10% of the existing issued share capital of the Company as at the Date of Conditional Grant and approximately 5.75% of the enlarged issued share capital of the Company immediately upon full exercise of such Share Options.

Details of the Conditional Grant of Share Options are set forth below.

**Date of Conditional Grant of Share Options by Board:** January 12, 2021

**Condition to the grant of Share Options:** The Conditional Grant of Share Options is conditional upon the passing of the necessary resolutions by the Independent Shareholders at the EGM

**Exercise price of Share Options:** Each Share Option shall entitle the holder to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$20.00 per Share. Such exercise price is not less than the greater of:

- (i) the closing price of the Shares of HK\$20.00 as stated in the Stock Exchange's daily quotation on the Date of Conditional Grant;
- (ii) the average closing price of the Shares of HK\$17.496 as stated in the Stock Exchange's daily quotation for the five business days immediately preceding the Date of Conditional Grant; and
- (iii) the nominal value of the Shares of US\$0.0001.

**Number of Share Options granted:** 28,000,000

---

## LETTER FROM THE BOARD

---

**Consideration for the  
Conditional Grant:**

Upon acceptance of the Share Options, Mr. Wang shall pay HK\$1 to the Company as consideration for the grant of the Share Options.

**Vesting conditions of the Share  
Options:**

The Share Options are split into nine Tranches.

Each Tranche (of approximately 3.11 million Share Options) will only vest and become exercisable by Mr. Wang subject to and conditional upon the Company achieving a set of performance targets, which are referred to as the (1) Market Capitalization Milestones and (2) Operational Milestones. Both performance targets must be achieved as of a Determination Date in order for any Tranche of the Share Options to vest.

*Basis for determining the Market Capitalization Milestones and Operational Milestones*

**Market Capitalization Milestones:**

The Market Capitalization Milestones are determined according to multiple increments of the Market Capitalization of the Company.

As at the Date of Conditional Grant, the Company had a Daily Market Capitalization of approximately US\$1.19 billion, Thirty-Day Market Cap of approximately US\$0.95 billion, and Six-Month Market Cap of approximately US\$0.46 billion. The Market Capitalization of the Company on the Date of Conditional Grant was US\$0.46 billion, being the lower of the Six-Month Market Cap or the Thirty-Day Market Cap on the Determination Date.

There are nine Marketing Capitalization Milestones, with the first one being US\$2 billion, an increase of US\$1.54 billion over the Market Capitalization of the Company on the Date of Conditional Grant. The subsequent eight Market Capitalization Milestones represent US\$1 billion incremental increases in Marketing Capitalization of the Company on a Determination Date.

---

## LETTER FROM THE BOARD

---

### **Operational Milestones:**

There are 18 potential Operational Milestones, comprising nine revenue-based Operational Milestones and nine Adjusted EBITDA-based Operational Milestones. The Operational Milestones in respect of each Tranche will be met if the Company cumulatively achieves at least the same number of Operational Milestones as of the Determination Date as Tranches that may potentially vest due to achievement of Market Capitalization Milestones.

All nine Tranches of the Share Options will become fully vested when Market Capitalization of the Company on a Determination Date reaches at least US\$10 billion and the Company has achieved at least nine of the Operational Milestones in any combination.

The revenue-based Operational Milestones are determined according to multiple increments of the Annual Revenue of the Company:

- (a) The first revenue-based Operational Milestone is Annual Revenue of the Company on a Determination Date of US\$50 million, representing an increase of 55% over the Annual Revenue of the Company comparing to the revenue for the 12 months ended June 30, 2020.
- (b) The subsequent eight revenue-based Operational Milestones are US\$25 million incremental increases in Annual Revenue of the Company on a Determination Date.
- (c) Assuming the Operational Milestones are met solely based on the revenue-based Operational Milestones, the revenue of the Company will be US\$250 million, representing more than a six-fold increase over the annual Revenue of the Company for the 12 months ended June 30, 2020.

---

## LETTER FROM THE BOARD

---

The Adjusted EBITDA-based Operational Milestones are determined according to multiple increments of the Adjusted EBITDA of the Company:

- (a) The first Adjusted EBITDA-based Operational Milestone is Annual Adjusted EBITDA of the Company on a Determination Date of US\$10 million, representing more than a five-fold increase over the Annual Adjusted EBITDA for the 12 months ended June 30, 2020.
- (b) The subsequent eight Adjusted EBITDA-based Operational Milestones are US\$5 million incremental increases in Annual Adjusted EBITDA of the Company on a Determination Date.
- (c) Assuming that the Operational Milestones are met solely based on the Adjusted EBITDA-based Operational Milestones, the Annual Adjusted EBITDA of the Company will be US\$50 million, representing more than a thirty fold increase over the Annual Adjusted EBITDA of the Company comparing to the Annual Adjusted EBITDA of the Company for the 12 months ended June 30, 2020.

The Board is of the view that it is fair and reasonable to the Company and its Shareholders as a whole for the Operational Milestones to be achievable by either fulfilling annual revenue targets or Annual Adjusted EBITDA targets, based on the following:

- (a) The primary reason for having Operational Milestones in addition to Market Capitalization Milestones was to ensure that the underlying business of the Company had prospered and grown, rather than a Market Capitalization Milestone being met for other reasons (e.g., purely due to a fluctuation or inflation of share price of the Company).

---

## LETTER FROM THE BOARD

---

- (b) The Board believes having any of the revenue-based or Adjusted EBITDA-based Operational Milestones would offer sufficient protection for these purposes, as the achievement of either of these Operational Milestones would indicate healthy growth in the underlying business. The Board is of the view that a significant growth in either the revenue or the Adjusted EBITDA would indicate operational growth of the Company. In particular, the Board notes that there are companies engaging in a similar sector that primarily focus on developing revenue rather than the Adjusted EBITDA, some of which are loss-making<sup>1</sup>. Therefore, the Board would like to preserve the flexibility in using either the revenue or Adjusted EBITDA metrics based on market conditions and the Company's business objective. Considering the above, the Board believes that it is in the best interests of the Company and its Shareholders as a whole to allow Operational Milestones to be achieved by either revenue-based metrics and/or Adjusted EBITDA-based metrics.
- (c) In these regards, requiring a simultaneous increase in Market Capitalization helps mitigate the potential of rewarding Mr. Wang for unprofitable revenue growth or for increases in Adjusted EBITDA without reasonable revenue growth, and the criterion of requiring one Operational Milestone to be achieved in conjunction with one Market Capitalization Milestone in order for the next Tranche to vest and also align Mr. Wang's interests with the interests of the Shareholders.

<sup>1</sup> Examples are:  
Weimob Inc. (stock code: 2013)  
Interim report 2020 — <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0921/2020092100800.pdf>;  
Annual report 2019 — <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0415/2020041500910.pdf>;  
China Youzan Limited (stock code: 8083)  
Interim report 2020 — <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0811/2020081100396.pdf>;  
Annual report 2019 — <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0331/2020033100021.pdf>.

---

## LETTER FROM THE BOARD

---

The table below shows the 18 Operational Milestones:

Operational Milestone comprised of Annual Revenue of the Company on a Determination Date in Excess of	Operational Milestone comprised of Annual Adjusted EBITDA of the Company on a Determination Date in Excess of
US\$50 Million	US\$10 Million
US\$75 Million	US\$15 Million
US\$100 Million	US\$20 Million
US\$125 Million	US\$25 Million
US\$150 Million	US\$30 Million
US\$175 Million	US\$35 Million
US\$200 Million	US\$40 Million
US\$225 Million	US\$45 Million
US\$250 Million	US\$50 Million

The table below shows the vesting conditions for each Tranche of the Share Options:

Cumulative Number of Operational Milestones Required to be Achieved	Market Capitalization Milestone Vesting Condition comprised of		Number of vested Share Options in the Tranche
	Market Capitalization of the Company on a Determination Date in Excess of		
	<i>US\$</i>	<i>HK\$</i>	
One	2 billion	15.50 billion	3,111,111 Shares
Two	3 billion	23.25 billion	3,111,111 Shares
Three	4 billion	31.00 billion	3,111,111 Shares
Four	5 billion	38.75 billion	3,111,111 Shares
Five	6 billion	46.50 billion	3,111,111 Shares
Six	7 billion	54.25 billion	3,111,111 Shares
Seven	8 billion	62.00 billion	3,111,111 Shares
Eight	9 billion	69.75 billion	3,111,111 Shares
Nine	10 billion	77.50 billion	3,111,112 Shares

---

## LETTER FROM THE BOARD

---

### **Milestone Achievement Calculation Mechanics:**

Either Mr. Wang or the Company may request that a particular date be a Determination Date, in which case the Company will determine if any Market Capitalization Milestone and/or Operational Milestone has been achieved on that Determination Date. If using the requested date as Determination Date would result in a violation of applicable laws and regulations (including the Listing Rules), then Mr. Wang or the Company could postpone the Determination Date to the first date after the original requested date that would not result in such a violation.

### *Market Capitalization Milestones*

In determining its Daily Market Capitalization on any given day, which provides the basis for the determination of the Market Capitalization of the Company on a Determination Date, the Company would use the total number of outstanding Shares as of the close of such trading day, as reported by the Company's transfer agent, and the closing price per Share as of the close of such trading day, as reported by the Stock Exchange, meaning that the determination of whether a Marketing Capitalization Milestone had been met will rely upon objective data provided by third parties.

---

## LETTER FROM THE BOARD

---

### *Operational Milestones*

Results reported to the public by the Company in its financial statements covering the twelve-month reporting period ended most recently prior to the Determination Date will be used to make the determination as to the achievement of the Operational Milestones. The Company currently reports semi-annually, and therefore the financial statements used would be those contained in its most recent financial reports for the periods ended June 30 and December 31, and revenue and Adjusted EBITDA would be calculated based on the two most recent fiscal half-years either (a) using the most recent annual report if there had been no intervening interim report or otherwise (b) derived by addition of the six-month financial results in the most recent interim report and the twelve-month results in the most recent annual report, and subtracting the six-month financial results of the comparative period in the most recent interim report (which is the first six months of the prior fiscal year). If the Company were to report quarterly, the financial statements used would be those contained in its most recent financial reports for the periods ended March 31, June 30, September 30, and December 31 and revenue and Adjusted EBITDA would be calculated analogously based on the four most recent fiscal quarters from the most recent quarterly reports and/or annual report of the Company.

Presently, the Company reports semi-annually and has no current intent to report quarterly, although the Company reserves the right to begin or cease to report quarterly at any time. In either case, the most recently reported financial results would have been approved for release by the audit committee of the Board and either audited by the Company's external auditors or else reviewed by the external auditors based on agreed-upon procedures.

---

## LETTER FROM THE BOARD

---

Adjusted EBITDA is not a calculation specified by International Financial Reporting Standards, or IFRS, presently governing the Company's reporting but rather is a financial measure determined by the Company and voluntarily reported and reviewed by the Company's external auditors based on agreed-upon procedures. The Company reported Adjusted EBITDA in its 2020 Interim Report and intends to continue to report Adjusted EBITDA in its future interim and annual reports. In these regards, Adjusted EBITDA will be calculated using a methodology consistent with methodology used to calculate "Adjusted EBITDA" included in the Company's annual reports and/or interim reports.

The Company will show the elements it used to determine Adjusted EBITDA and will report a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement, profit or loss before tax. The Company believes that its reporting obligations and such review or audit provide confidence in the determination of the Operational Milestones.

**Operational and Market  
Capitalization Milestones as  
of the Latest Practicable  
Date:**

The Operational and Market Capitalization Milestones as of the Latest Practicable Date are as follows:

- Annual Adjusted EBITDA of the Company as of the Latest Practicable Date: US\$1.5 million (based on one-year period ended June 30, 2020)
- Annual Adjusted Revenue of the Company as of the Latest Practicable Date: US\$32.3 million (based on one-year period ended June 30, 2020)
- Market Capitalization (being the lower of the Six-Month Market Cap or the Thirty-Day Market Cap) of the Company as of the Latest Practicable Date: HK\$7.16 billion (equivalent to approximately US\$0.92 billion)
- Daily Market Capitalization of the Company on the Latest Practicable Date: HK\$15.02 billion (equivalent to approximately US\$1.94 billion)

**Validity period of the Share  
Options:**

10 years from the Date of Conditional Grant of Share Options.

---

## LETTER FROM THE BOARD

---

**Cessation as Executive Director,  
Chairman, and Chief  
Executive Officer:**

If Mr. Wang ceases to be all three positions of Executive Director, Chairman of the Board, and the Chief Executive Officer of the Group, the Share Options shall cease to vest (although vested but unexercised Share Options shall continue to be exercisable for a period of one year, after which all remaining Share Options shall lapse). Such cessation will also constitute an Internal Change in Control. For the avoidance of doubt, there is no impact on either the vesting (other than due to an Internal Change in Control as described below) or the term of the Share Options so long as Mr. Wang remains any of Executive Director of the Company, Chairman of the Board, or the Chief Executive Officer of the Group.

**Rights of Shares to be issued  
upon exercise of Share  
Options:**

The Shares to be allotted and issued upon the exercise of the Share Options shall rank *pari passu* with the fully paid Shares then in issue in all respects, including voting rights, entitlement to dividends, transfer, and other rights (including those arising on liquidation of the Company) paid or made on or after the relevant exercise date of the Share Options. The Share Options themselves, however, do not carry any right to voting, dividend, transfer, or other rights (including those arising on the liquidation of the Company) prior to their being exercised and the underlying Shares being issued.

**Payment of Exercise Price**

The exercise price may be paid in cash or by a reduction in the number of Shares to be issued (sometimes referred to as a cashless exercise). For purposes of payment via reduction in the number of Shares to be issued, the value of such Shares shall be the closing price on the date of exercise, or if such date is not a trading day, on the immediately prior trading day.

**Holding Period for the Shares  
Acquired on the Share Option  
Exercise**

Mr. Wang must hold any Shares he acquires on exercise of the Share Options for at least one year from the date such Shares were issued and allotted to him, except that he may sell the number of Shares required in order for him to pay withholding taxes and other government fees, charges, and taxes resulting from such exercise.

---

## LETTER FROM THE BOARD

---

### **Vesting Determination upon Change in Control of the Company:**

### **External Change in Control**

In the event of an External Change in Control, for purposes of determining whether any Tranches vest, only the Market Capitalization Milestones shall be required to be met for the vesting of Tranches (i.e., no Operational Milestones need to be met) and the Six-Month Market Cap and Thirty-Day Market Cap shall be disregarded, and the Market Capitalization shall equal the product of:

- (a) the total number of outstanding Shares immediately prior to the effective time of such Change in Control, as reported by the Company's transfer agent; and
- (b) the greater of the (i) most recent closing price per Share immediately prior to the effective time of such Change in Control, as reported by the Stock Exchange, or (ii) per Share price (plus the per Share value of any other consideration) received by the Shareholders in the Change in Control.

As described above, the main purpose of the Operational Milestones is to help ensure that the Company's operational progress had been made rather than the Company only achieving a Market Capitalization Milestone due to other root causes (e.g., inflation in the market).

The Board is of the view that the value of the Company achieved at the occurrence of an External Change in Control is what would be most important to the Shareholders as that would provide the basis for a Shareholder to realize value as a result of the External Change in Control (which involves a mandatory offer pursuant to the Takeovers Code), and measuring the Market Capitalization Milestones in the same manner that Shareholder value is realized in the Change in Control best aligns the interests of the Shareholders with those of Mr. Wang. Therefore, the Market Capitalization Milestones are sufficient vesting conditions of determining what could be realized by the Shareholders in case of an External Change in Control.

---

## LETTER FROM THE BOARD

---

### Internal Change in Control

In the event of an Internal Change in Control, there will be a one-off determination of whether any Tranches vest, with the Determination Date to be the date of the occurrence of the Internal Change in Control. For the purpose of such one-off determination, only the Market Capitalization Milestones shall be required to be met in the manner explained above for the vesting of Tranches (i.e. no Operational Milestones need to be met).

Subsequent to an Internal Change in Control, if Mr. Wang were to retain the role of a non-executive Director of the Company and Chairman of the Board (i.e. the Share Options did not cease to vest by virtue of Mr. Wang's cessation from Executive Director, Chairman of the Board, and the Chief Executive Officer of the Group), all subsequent vesting of the Share Options would be determined by fulfillment of both Market Capitalization Milestones and Operational Milestones as described above.

If Mr. Wang resigns or otherwise loses his position as the Chairman of the Board following an Internal Change in Control (i.e., he is no longer the Chief Executive Officer of the Group, Chairman of the Board or an executive Director of the Company), the Share Options shall cease to vest (although vested but unexercised Share Options shall continue to be exercisable for a period of one year, after which all remaining Share Options shall lapse).

The Board is of the view that the mechanism for vesting determination upon an Internal Change in Control (i.e. no Operational Milestones need to be met for vesting to occur) is fair and reasonable to the Company and its Shareholders as a whole, considering the following factors:

- (a) Mr. Wang was a founder of the Company and the key inventor of the Company's anti-piracy core technologies and software architecture. He is the main visionary and architect of the Company's strategy and business plan and the Board believes that Mr. Wang's vision and leadership are essential for the Company to fulfil its strategic plan. As a result, the Board wishes to ensure that Mr. Wang is highly motivated to continue to lead the Company to further success and growth.

---

## LETTER FROM THE BOARD

---

- (b) As explained above, the primary reason for having Operational Milestones in addition to Market Capitalization Milestones was to ensure that the underlying business of the Company had prospered and grown, rather than a Market Capitalization Milestone being met for other reasons (e.g. purely due to a fluctuation or inflation of share price of the Company). This offers protection to the Company and its Shareholders under ordinary circumstances.
  
- (c) Were the Board in the future after careful deliberation determine to remove Mr. Wang from his positions as the Chief Executive Officer of the Group and an executive Director, such an action would indicate a desire to divest Mr. Wang of a material part of his leadership function and therefore impact his ability to control achievement of the Operational Milestones. Therefore, at the point of time of an Internal Change of Control, the vesting of Tranches would be based on the then to date achievement of the Market Capitalization Milestones only, since Mr. Wang will not continue to be mainly responsible for the Company's growth and development and will not be leading the Company's effort to achieve the Operational Milestones and therefore would not have the opportunity thereafter to be able to exert the same control over achievement of the Operational Milestones.
  
- (d) Also, in order to offer Mr. Wang something akin to the protections typically found in executive agreements to ensure he is highly motivated to lead the Company, the Board considers it fair and reasonable to offer Mr. Wang a one-off vesting determination of the Tranches at the time of the Internal Change in Control with the requirement of the achievement of Operational Milestones waived.

---

## LETTER FROM THE BOARD

---

- (e) Following the one-off vesting determination upon an Internal Change in Control, if Mr. Wang is offered and decides to stay in the Company as a non-executive Director and Chairman of the Board, he could continue to contribute to the Company's development albeit with less influence over the management of the Company. Any vesting determination of the Share Options would be determined by fulfillment of both Market Capitalization Milestones and Operational Milestones as described above.

Based on the above, the Board believes that the mechanism in place in relation to vesting determination upon the Change in Control of the Company is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

**Milestone Adjustments in the  
Event of Certain Corporate  
Transactions:**

Upon and effective as of the closing of an Acquisition with a Purchase Price greater than ten percent (10%) of the Closing Date Market Capitalization of the Company, all Market Capitalization Milestones that are unachieved as of immediately before the closing of such Acquisition will be increased by the dollar amount equal to the Purchase Price of such Acquisition.

Upon and effective as of the completion of a Spin-Off with a Spin-Off Value greater than ten percent (10%) of the Closing Date Market Capitalization of the Company, any and all Market Capitalization Milestones that are unachieved as of immediately before the completion of such Spin-Off will be decreased by the dollar amount equal to the Spin-Off Value of such Spin-Off.

If the Company enters into a series of Acquisitions with the same party or parties connected or otherwise associated with one another during a twelve-month period, such transactions will be aggregated and treated as if they were one transaction for the purpose of determining whether the Purchase Price is greater than ten percent (10%).

Save as disclosed above, the Purchase Price or the Spin-Off Value of each Acquisition or Spin-Off will be considered separately and would not be aggregated for the foregoing purposes.

---

## LETTER FROM THE BOARD

---

The Board is of the view that the above mechanism is fair and reasonable to the Company and its Shareholders taken as a whole, considering the following factors:

- (a) Acquisitions with a Purchase Price of less than 10% of the Company's Closing Date Market Capitalization are regarded as immaterial to the Company;
- (b) It is unduly burdensome and unnecessary for the Market Capitalization Milestones to be frequently adjusted for immaterial transactions;
- (c) Acquisitions occur for multiple business reasons, especially smaller ones where the financial impact on the Company is not an issue but rather access to certain technology, sales channels, or personnel may be the driving force. Furthermore, in smaller transactions there may be escrows or contingent consideration which are difficult to measure;
- (d) The Board does not want such mechanism to hinder the ability of the Company to move quickly and capture market opportunities by making frequent Acquisitions which are in the best interests of the Company;
- (e) The purpose of having an adjustment mechanism to the Market Capitalization Milestones is to serve as a safeguard to prevent Mr. Wang from inadvertently achieving Market Capitalization Milestones simply by making a large Acquisition which would materially change the Company's operations and might not otherwise benefit the Shareholders; and
- (f) There is already a requirement to aggregate a series of Acquisitions within twelve months with the same or associated parties which would prevent circumvention of the adjustment mechanism by breaking down the same material transaction into smaller transactions to avoid adjustment to the Market Capitalization Milestones.

As at the Latest Practicable Date, the Company does not have any agreements, arrangements, understandings and/or negotiations with any parties for an Acquisition or a Spin-Off.

---

## LETTER FROM THE BOARD

---

All outstanding or unexercised Share Options granted to Mr. Wang under the Conditional Grant shall lapse on or before January 12, 2031.

No Share Option of the Company has been granted to Mr. Wang within the 12-month period prior to the Conditional Grant.

The Share Option Scheme is adopted by the Company and does not have a trustee.

### REASONS FOR THE CONDITIONAL GRANT OF SHARE OPTIONS

#### *Mr. Wang's background and qualifications*

The purposes of the Share Option Scheme are to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, and advisers of our Group and to promote the success of the business of our Group. The Conditional Grant of Share Options is to (i) serve as a reward for the dedication and the significant efforts and contribution of Mr. Wang in the business development and performance of the Group; and (ii) provide incentive for his persistent devotion and leadership by further aligning the interests of the Group with him. Mr. Wang is the Chairman of the Board, an executive Director, the Chief Executive Officer of the Group and a substantial Shareholder. He has been in charge of the Group since he founded the Group in May 2005. Mr. Wang was granted Share Options for 8,000,000 Shares under the Pre-IPO Share Option Scheme on April 25, 2017, vesting monthly over four years through April 25, 2021, and therefore 7,666,666 Share Options are vested as of the Latest Practicable Date, with the remaining 333,334 Share Options becoming vested in increments of 166,667 shares on the 25th of each of the next three months. Thus, Mr. Wang will have no further unvested equity incentives after April 25, 2021.

#### *Mr. Wang's contribution to the Group*

Mr. Wang was a founder of the Company and the architect of its strategy and business plan. He is a key inventor of the Company's anti-piracy core technologies and software architecture. He has been CEO of the Group and has had primary leadership responsibility for corporate vision, product strategy, business development and operations of the Group since its founding in 2005. He led the Group to a successful listing on the Main Board of the Stock Exchange in January 2018.

Mr. Wang is the main visionary of the Company. He was the impetus for the Company's transformational acquisition of the Rights ID and Brand ID businesses from Zefr in November 2019, and the Company's recent HK\$400 million equity financing and business cooperation with affiliates of the Ant Group. The Board believes that Mr. Wang's vision and leadership are essential for the Company to fulfil its strategic plan and the Board wishes to ensure that Mr. Wang is highly motivated to continue to lead the Company and to help it to succeed and grow.

#### *The basis of determining the terms and conditions of the Conditional Grant of Share Options*

Pursuant to the terms of reference of the Remuneration Committee, the Remuneration Committee is delegated with the responsibility to determine the specific remuneration package of all executive Directors and senior management, including benefits in kind, pension rights and

---

## LETTER FROM THE BOARD

---

compensation payments. The Remuneration Committee is required to consider factors such as time commitment and responsibilities of the directors, employment conditions within the Group and desirability of performance-based remuneration. Further, the remuneration policies of the Company for the executive Directors are as follows: (i) the amount of remuneration payable to the executive Directors will be determined on a case-by-case basis depending on the experience, responsibility, workload, and the time devoted to the Group by the relevant Director; and (ii) the executive Directors may be granted, at the discretion of the Board, Share Options, as part of the remuneration package.

The Conditional Grant of Share Options represents the long-term incentive portion of Mr. Wang's remuneration package, supplementing his annual cash compensation. The Board and Mr. Wang agreed upon the grant of 28,000,000 Share Options (representing 6.10% of the total number of Shares in issue as at the Date of Conditional Grant of Share Options) after arm's length negotiations between the parties having considered Mr. Wang's contribution to the Group as set out in the preceding paragraphs and that the Conditional Grant of Share Options can incentivize Mr. Wang without imposing as substantial a financial burden on the Group as cash compensation and would better align Mr. Wang's incentives with those of the Shareholders. The Board believes that the Conditional Grant of Share Options is a recognition of Mr. Wang's past and future contribution to the Group and his continued role in delivering value to the Shareholders.

However, the Board also recognizes the potential dilution effect that the Conditional Grant of Share Options may have on the Shareholders. For this reason, it was agreed by the Board that the Share Options would be split into nine Tranches with each Tranche only vesting if the Company achieves a set of carefully considered and, in the view of the Board, ambitious performance targets (i.e., a combination of the Operational Milestones and Market Capitalization Milestones as described above) which are designed to increase shareholder value. If all nine Tranches of the Share Options vest, that means that the Company will have achieved a Market Capitalization of the Company as of the Determination Date in excess of US\$10 billion (representing an approximate 20-fold growth over the US\$0.46 billion Market Capitalization of the Company as of the Determination Date of January 12, 2021, the Date of Conditional Grant of Share Options).

### *Suitability of the Conditional Grant of Share Options as the preferred way to incentivize the Grantee*

The Board has considered other means to incentivize Mr. Wang, such as increasing the cash component of his remuneration package. However, these other means will increase the Group's expenditure and impose a greater financial burden on the Group. Further, the Grant of Share Options has a unique advantage of being able to retain Mr. Wang on a longer-term basis, by tying his compensation with the operational performance of the Company and aligning his interests with those of the Shareholders. The Conditional Grant of Share Options enables the Group to preserve its cash resources for business expansion while serving the purpose to reward and incentivize Mr. Wang by complementing his remuneration package.

Based on the reasons aforesaid and taking into account that achievement of the Operational Milestone and Market Capitalization Milestone performance targets is ambitious and in the interests of the Company and the Shareholders, the Board and the Remuneration Committee believe that the

---

## LETTER FROM THE BOARD

---

Conditional Grant of Share Options is an appropriate way to incentivize and encourage the ongoing service of Mr. Wang in achieving improvement of the Group's financial position and performance, which is fair and reasonable and in the interests of the Company and Shareholders as a whole.

*The potential dilution effect of the Conditional Grant of Share Options*

The 28,000,000 Shares which would be issued upon exercise in full of the Share Options represent 6.07% of the number of Shares in issue as at the Latest Practicable Date and approximately 5.72% of the number of Shares in issue as enlarged by the issue of such Shares. As at the Latest Practicable Date, exercising in full of the Share Options to be granted to Mr. Wang under the Conditional Grant of Share Options will result in dilution of approximately 5.72% in the shareholding of the public Shareholders in the Company.

---

## LETTER FROM THE BOARD

---

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after the exercise in full of the Share Options under the Conditional Grant of Share Options:

	<b>As at the Latest Practicable Date</b>		<b>Immediately upon the exercise of the Share Options in full</b>	
	<b>No. of Shares</b>	<b>Approximate percentage of issued share capital</b>	<b>No. of Shares</b>	<b>Approximate percentage of issued share capital</b>
Mr. Wang ( <i>Note</i> )	67,640,480	14.66%	95,640,480	19.54%
Mr. Wargo	26,270,339	5.69%	26,270,339	5.37%
Mr. Witte	1,200,000	0.26%	1,200,000	0.25%
Mr. Wong	600,000	0.13%	600,000	0.12%
Public Shareholders	<u>365,826,737</u>	<u>79.26%</u>	<u>365,826,737</u>	<u>74.72%</u>
<b>Total issued Shares</b>	<u><u>461,537,556</u></u>	<u><u>100%</u></u>	<u><u>489,537,556</u></u>	<u><u>100%</u></u>

*Note:* Mr. Wang is a settlor, a trustee, and a beneficiary of the JYW Trust. Mr. Wang and the JYW Trust are the settlors and Mr. Wang is the trustee and beneficiary of the YBW Trust. Mr. Wang is interested in (a) 43,450,000 Shares beneficially owned by him, comprised of 7,450,000 Shares beneficially owned by him as at the Latest Practicable Date, 8,000,000 Shares beneficially owned by him upon the exercise in full of 8,000,000 Share Options granted to him under the Pre-IPO Option Scheme, and 28,000,000 Shares beneficially owned by him upon the exercise in full of the 28,000,000 Share Options comprising the Conditional Grant, (b) 52,190,480 Shares held by him in his capacity as trustee and beneficiary of the JYW Trust, and (c) 8,000,000 Shares in his capacity as trustee and beneficiary of the YBW Trust.

### LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of Share Options by the Company to any Director, chief executive, or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding independent non-executive Directors who are the grantees of the Share Options concerned). The Conditional Grant of Share Options to Mr. Wang has been reviewed and approved by the independent non-executive Directors on January 12, 2021 accordingly.

Further, pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, any grant of Share Options to a substantial Shareholder, or any of his respective associates, which would result in the Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including share options exercised, cancelled and outstanding) under the Share Option Scheme or any other schemes of the Group to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in

---

## LETTER FROM THE BOARD

---

issue and (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares at the date of each grant, such further grant of share options must be separately approved by Shareholders in general meeting.

In addition, pursuant to the Note to Rule 17.03(4) of the Listing Rules, where any further grant of Share Options to the grantees would result in the Shares issued and to be issued upon exercise of all Share Options granted and to be granted to such person (including exercised, cancelled, and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of Shares in issue, such further grant must be separately approved by Shareholders in general meeting.

As at the Date of Conditional Grant of Share Options, there were 459,104,556 Shares in issue. The Conditional Grant of Share Options to Mr. Wang, will result in the Shares to be issued upon exercise in full of the Share Options to be granted to Mr. Wang in the 12-month period up to and including the Date of Conditional Grant of Share Options (i) being 6.10% of the Shares in issue, which is over 0.1%; and (ii) having an aggregate value of HK\$560 million, based on the closing price of the Shares on the Date of Conditional Grant of Share Options, which is in excess of HK\$5 million. Therefore, the Conditional Grant of Share Options shall be subject to the approval by the Independent Shareholders at the EGM.

As required under Rule 17.04(1) and the Note to Rule 17.03(4) of the Listing Rules, Mr. Wang, his associates, and all core connected persons of the Company must abstain from voting in favor of the resolution approving the Conditional Grant of Share Options. As at the Latest Practicable Date, Mr. Wang, his associates, and all core connected persons of the Company held in aggregate 95,710,819 Shares, representing approximately 20.74% of the total number of Shares in issue.

### **(II) REFRESHMENT OF SCHEME MANDATE LIMIT**

The Share Option Scheme was adopted by the Company on December 8, 2017 pursuant to an ordinary resolution passed at the extraordinary general meeting held on the same date. The Share Option Scheme will remain in force for a period of 10 years from the date of adoption. Apart from the Share Option Scheme, there was no other share option scheme with Share Options available for granting as at the Latest Practicable Date.<sup>1</sup>

In accordance with the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Share Options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares commence on the Main Board of the Stock Exchange (being 41,317,453 Shares). The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share Option Scheme.

<sup>1</sup> No further Share Options may be granted under the Pre-IPO Share Option Scheme.

---

## LETTER FROM THE BOARD

---

On July 30, 2020 and September 9, 2020, 11,250,000 Share Options and 2,000,000 Share Options respectively were granted by the Company, which remained outstanding as at the Latest Practicable Date. The grantees were all either advisors, consultants, or employees of the Company and none of them were Directors or connected persons (as defined in the Listing Rules) of the Company details of which are set out below:

<b>Grantees</b>	<b>Number of Share Options granted</b>	<b>Reason of granting</b>
Kevin A. Mayer <sup>2</sup>	2,000,000	Granted in connection with services as a senior advisor of the Company, as disclosed in the Company's announcement dated September 9, 2020
Business consultant A	1,000,000	Granted in connection with their services to provide business development and sales/marketing consulting services to the Company
Business consultant B	500,000	Granted in connection with their services to provide business development and sales/marketing consulting services to the Company
Business consultant C	250,000	Granted in connection with their services to provide business development and sales/marketing consulting services to the Company
32 employees of the Company	9,500,000	Granted in connection with their employment with the Company

On January 12, 2021, 28,000,000 Share Options were granted by the Company to Mr. Wang, with the grant subject to Shareholders' approval at the EGM. Accordingly, unless the current scheme mandate limit is refreshed, only up to 67,453 Shares may be issued pursuant to the grant of Share Options under the Share Option Scheme, representing only approximately 0.01% of the total Shares in issue as at the Latest Practicable Date.

<sup>2</sup> Mr. Mayer was CEO of TikTok and COO of its parent company ByteDance Ltd from May 2020 until his resignation in August 2020. Previously he worked at The Walt Disney Company since 2005, originally as Executive Vice President, Corporate Strategy, Business Development, and Technology and ultimately as Chairman of its Direct-to-Consumer & International Division. He managed the acquisitions of Pixar, Marvel Entertainment, Lucasfilm, and 21st Century Fox and he directed the divestitures of Miramax and ABC Radio. Mr. Mayer's experience in corporate strategy and mergers and acquisitions positions him to provide valuable high-level strategic business advice to the Company.

---

## LETTER FROM THE BOARD

---

Under the Share Option Scheme and Pre-IPO Share Option Scheme, Options may be granted to advisors, consultants, Directors, or part-time or full-time employees of the Group. The purposes of the Scheme are to enable the Company to attract and retain the best available personnel, to provide additional incentives to eligible personnel, and to promote the success of the business of the Group. An advisor is a person who provides advisory services (in the areas of legal, technical, financial, corporate managerial or otherwise) to the Group and who is so designated by the Board. A consultant, similarly, is a person who provides consultancy services (legal, technical, financial, corporate, managerial advice or services or otherwise) to the Group and who is so designated by the Board. All of the above-listed grantees are persons who the Company believes are key service providers to the Company whose services contribute to the Company's success and who the Company desires to attract and retain. The Company operates in competitive high tech job markets such as Hong Kong and Silicon Valley and Los Angeles California and China and equity incentives are a key element of the remuneration package for the Company's service providers which help in their recruitment and retention and to align the service providers incentives with those of Shareholders. Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Share Options shall be granted under the Share Option Scheme or any other scheme(s) of the Company if this will result in the 30% limit being exceeded.

As at the Latest Practicable Date, the Company has 461,537,556 Shares currently in issue. Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the maximum number of Shares which may be issued upon the exercise of all the Share Options to be granted under the refreshed Scheme Mandate Limit will be 46,153,755 Shares, representing 10% of the total Shares in issue as at the Latest Practicable Date. Assuming that the Refreshment of the Scheme Mandate Limit is to be approved, the number of Shares that may be issued under the Share Option Scheme and the Pre-IPO Share Option Scheme will be 98,744,755 Shares (comprising 46,153,755 Shares to be allotted and issued upon exercise of the Share Options to be granted under the refreshed Scheme Mandate Limit, 11,341,000 Shares to be allotted and issued upon exercise of the Share Options granted under the Pre-IPO Share Option Scheme, and 41,250,000 Shares to be allotted and issued upon full exercise of the outstanding Share Options under the Share Option Scheme), representing approximately 21.39% of the number of Shares in issue as at the Latest Practicable Date, and is within the 30% limit in issue from time to time as required under the Listing Rules.

Save as disclosed in this circular, there are no outstanding options granted under the Share Option Scheme or any other scheme(s) of the Company which remain unexercised, as at the Latest Practicable Date.

The Refreshment of Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve, among other things, the Refreshment of Scheme Mandate Limit by the Shareholders at the EGM; and

---

## LETTER FROM THE BOARD

---

- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the EGM approving the Refreshment of Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of Share Options granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Share Options to be granted under the refreshed Scheme Mandate Limit.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to provide the Company with the flexibility of granting further Share Options under the Share Option Scheme and to provide incentives to, and recognize the contributions of, the Group's employees and other selected grantees which the Board considers to be in the interests of the Company and the Shareholders as a whole. The Board therefore seeks the approval of the Shareholders at the EGM to refresh the Scheme Mandate Limit. As of the Latest Practicable Date, the Company has no plan or intention to grant any of the Share Options upon the Refreshment of Scheme Mandate Limit.

### **(III) EGM**

The notice convening the EGM to be held at Suite 3712, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on March 18, 2021 at 3:00 p.m. is set out on pages 33 to 35 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. 3:00 p.m. (Hong Kong time) on March 16, 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

As required under Rule 17.04(1) and the Note to Rule 17.03(4) of the Listing Rules, Mr. Wang, his associates, and all core connected persons of the Company must abstain from voting in favor of the resolution approving the Conditional Grant of Share Options. As at the Latest Practicable Date, Mr. Wang, his associates, and all core connected persons of the Company held in aggregate 95,710,819 Shares, representing approximately 20.74% of the total number of Shares in issue.

As at the Latest Practicable Date, the Directors were not aware that any of the Shareholders who must abstain from voting in favour of the resolution approving the Conditional Grant of Share Options at the EGM had stated their intention to vote against the relevant resolution. Save as

---

## LETTER FROM THE BOARD

---

disclosed above, to the best of the Directors' knowledge, information, and belief, having made all reasonable enquires, as of the Latest Practicable Date, no Shareholder has a material interest in the Conditional Grant of Share Options or the Refreshment of Scheme Mandate Limit. Accordingly, no other Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the EGM.

### RECOMMENDATION

The Directors (including all the independent non-executive Directors) consider that the resolutions proposed in relation to approval of the Conditional Grant of Share Options and the Refreshment of Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favor of such resolutions to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

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

Yours faithfully,  
For and on behalf of the Board  
**Vobile Group Limited**  
**Yangbin Bernard WANG**  
*Chairman, Executive Director and  
Chief Executive Officer*



**Vobile Group Limited**  
**阜博集團有限公司**

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

**(Stock Code: 3738)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Vobile Group Limited (the “**Company**”) will be held at Suite 3712, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on March 18, 2021 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

**ORDINARY RESOLUTIONS**

1. **“THAT** the grant of 28,000,000 share options (the “**Share Options**”) by the Board of Directors (subject to subsequent Shareholders’ approval) to Yangbin Bernard Wang (“**Mr. Wang**”) to subscribe for 28,000,000 ordinary shares of US\$0.0001 each in the capital of the Company (the “**Shares**”) at an exercise price of HK\$20.00 per Share under the share option scheme of the Company adopted by the Company on December 8, 2017 (the “**Share Option Scheme**”) and otherwise on such terms as stipulated in the offer letter issued by the Company pursuant to the Share Option Scheme be and is hereby approved and **THAT** the board of directors of the Company be and is hereby authorized to exercise all rights and powers available to it as it may in its sole discretion consider necessary or expedient to give full effect to the grant of the Share Options to Mr. Wang and the issue of the Shares upon the exercise of the Share Options by Mr. Wang.”
  
2. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the additional Shares to be issued pursuant to the exercise of options which may be granted under the Refreshed Limit (as defined below) of the Share Option Scheme, the refreshment of the general limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme be and is hereby approved such that:
  - (a) the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “**Refreshed Limit**”);

---

## NOTICE OF EGM

---

- (b) options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed, or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the Refreshed Limit;
- (c) the Directors be and are hereby unconditionally authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the Refreshed Limit and to grant options up to the Refreshed Limit and to exercise all powers of the Company to allot, issue and deal in the Shares upon the exercise of such options; and
- (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the Shares in issue from time to time.”

By order of the Board  
**Vobile Group Limited**  
**Yangbin Bernard WANG**  
*Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, March 1, 2021

*Notes:*

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM (i.e. 3:00 p.m. (Hong Kong time) on March 16, 2021) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

---

## NOTICE OF EGM

---

4. For determining the qualification as shareholder of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Monday, March 15, 2021 to Thursday, March 18, 2021, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify as shareholders to attend and vote at the EGM, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, March 12, 2021.
5. **In view of the outbreak of COVID-19 pandemic, shareholders are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on his/her behalf at the EGM or any adjourned meeting.**

*As at the date of this notice, the board of directors of the Company comprises Mr. Yangbin Bernard WANG and Mr. Michael Paul WITTE as executive directors; Mr. J David WARGO and Mr. WONG Wai Kwan as non-executive directors; and Mr. CHAN King Man Kevin, Mr. Derek CHANG, Mr. Alfred Tsai CHU, and Mr. Charles Eric EESLEY as independent non-executive directors.*