

**FUJING HOLDINGS CO., LIMITED (富景中國控股有限公司)**

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**SHARE SCHEME**

**(Conditionally adopted by the written resolutions of the shareholders of the Company  
dated 11 March 2024 with effect from the listing of shares of the Company on The  
Stock Exchange of Hong Kong Limited)**

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## 1. DEFINITIONS

1.1 In this Scheme, the following expressions have the following meanings:

“**1% Individual Limit**” shall have the meaning ;given to it in Clause 9.6;

“**Articles of Association**” the articles of association of the Company in force from time to time;

“**associate**” has the meaning ascribed to it in the Listing Rules;

“**Auditors**” means the auditors for the time being of the Company;

“**Award**” means an award which may vest in the form of Shares or the actual selling price of the Award Shares in cash pursuant to the terms of the Scheme;

“**Award Shares**” means the Shares covered by an outstanding Award;

“**Award Trustee**” means the trustee appointed by the Company to assist with the administration and vesting of Awards granted pursuant to the Scheme;

“**Board**” means the board of directors from time to time of the Company or a duly authorised committee thereof;

“**Board Lot**” means the board lot in which Shares are traded on the Stock Exchange from time to time;

“**Business Day**” means any day (excluding Saturday) on which banks in Hong Kong generally are open for business and the Stock Exchange is open for the business of dealing in securities;

“**chief executive**” has the meaning ascribed to it in the Listing Rules;

“**close associate**” has the meaning ascribed to it in the Listing Rules;

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;

“**Companies (Winding Up and Miscellaneous Provisions) Ordinance**” means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time;

“**Company**” means Fujing Holdings Co., Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability;

“**connected person(s)**” has the meaning ascribed to it in the Listing Rules;

“**controlling shareholder(s)**” has the meaning ascribed to it in the Listing Rules;

“**core connected person(s)**” has the meaning ascribed to it in the Listing Rules;

“**Delayed Grant**” shall have the meaning given to it in Clause 7.6(d);

“**Directors**” means the directors of the Company;

“**Effective Date**” means the date on which the Scheme becomes unconditional pursuant to Clause 3;

“**Employee Participant(s)**” means directors (including any executive Director, non-executive Director and independent non-executive Director) and employees (whether full-time or part-time employee) of the Group, including persons who are granted Options or Awards under the Scheme as an inducement to enter into employment contracts with the Group;

“**Exercise Period**” means, in respect of any particular Award and/or Option, the period during which the Award and/or Option may be exercised as determined by the Board and notified to each Grantee as pursuant to Clause 5.4. Such period may commence on a day after the Effective Date (and normally after the end of the Vesting Period, if applicable) and subject to the provisions for early termination thereof; furthermore, for the case of Option, such period shall in any event end not later than ten (10) years from the Grant Date;

“**Exercise Price**” means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 6, subject to adjustment in accordance with Clause 11;

“**Grant Date**” means, in respect of any particular Option and/or Award, the date, which shall be a Business Day, on which the Option and/or Award is granted to a Proposed Grantee in accordance with the terms of the Scheme; for the purpose of calculating the Exercise Price of Options granted in accordance with Clause 9.5, Clause 9.6 and Clause 10.3, the date of the board meeting for proposing such grant should be taken as the Grant Date.

“**Grantee**” means any Proposed Grantee who accepts the Offer of grant of any Option and/or Award in accordance with the terms of the Scheme and, where the context so permits, a person or persons who is entitled to exercise any such Option and/or Award in consequence of the death or winding up of the original Grantee;

“**Group**” means the Company and the Subsidiaries and “**member(s) of the Group**” shall be construed accordingly;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People's Republic of China;

“**HK\$**” means Hong Kong dollars;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as may be amended from time to time;

“**Memorandum**” means the amended and restated memorandum of association of the Company, as amended from time to time;

“**Offer**” shall have the meaning given to it in Clause 5.4;

“**Option**” means an option to subscribe for Shares granted pursuant to the terms of the Scheme;

"**Proposed Grantee**" shall have the meaning given to it in Clause 5.1;

"**Related Entity Participant(s)**" means directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company;

"**Remuneration Committee**" means the remuneration committee of the Board;

"**Scheme**" means this share scheme, as the same may be amended from time to time;

"**Scheme Mandate Limit**" shall have the meaning given to it in Clause 9.1;

"**senior manager(s)**" means the senior manager(s) disclosed in the Company's annual report as required under paragraph 12 of Appendix D2 of the Listing Rules;

"**Service Provider(s)**" means persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group. The factors applied to assess whether the person provides services on a continuing and recurring basis and in the Group's ordinary and usual course of business include but not limited to the number of times that the person has provided services to the Group, the frequency that the person provides services to the Group, the terms of the service providing contract that the person is under and the length of the relationship between the person who provides services and the Group, for avoidance of doubt, such persons should be persons who work for the Company as independent contractors and should not be placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Group and should not be professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

"**Service Provider Sublimit**" shall have the meaning given to it in Clause 9.2;

"**Shares**" means shares of US\$0.01 each in the share capital of the Company (or of such other nominal amount as may result from a sub-division, consolidation, reclassification or reconstruction of such share capital from time to time) that are listed on the Stock Exchange;

"**Shareholders**" means the shareholders of the Company;

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited;

"**Subsidiaries**" means the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance) of the Company, and "**Subsidiary**" shall be construed accordingly;

"**substantial shareholder(s)**" has the meaning ascribed to it in the Listing Rules;

"**US\$**" means United States dollar(s), the lawful currency of the United States; and

"**Vesting Period**" shall have the meaning given to it in Clause 7.6.

1.2 Clause headings are for reference only and shall be ignored in the interpretation of the Scheme. References herein to Clauses are to clauses of the Scheme.

- 1.3 Unless the context otherwise requires, references to the *singular* shall include the *plural* and vice versa, and references to one *gender* shall include all genders.
- 1.4 References to any *enactment* or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted.
- 1.5 References to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## 2. **PURPOSE**

- 2.1 The purpose of the Scheme is to recognise and acknowledge the contribution by the Proposed Grantee to the Group. By providing them with the opportunity to acquire equity interests in the Company, the Scheme aims to achieve the following objectives:
  - 2.1.1 attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group; and
  - 2.1.2 attract and retain or otherwise maintain on-going business relationships with suppliers whose contributions are or will be beneficial to the long-term growth of the Company,

## 3. **CONDITIONS**

- 3.1 The Scheme shall take effect subject to the passing of the necessary resolution to adopt the Scheme by the Shareholders and the Board and is conditional upon:
  - (a) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options and/or Award under the Scheme on the Stock Exchange; and
  - (b) the commencement of dealings in the Shares on the Stock Exchange.

If any of the above conditions are not satisfied within twelve (12) calendar months from the date of approval of the Scheme by the Shareholders, the Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme.

## 4. **DURATION AND ADMINISTRATION**

- 4.1 Subject to Clause 15, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Effective Date, which is expected to be the Listing Date, after which no further Options and/or Awards will be granted under the Scheme, but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options and/or Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.
- 4.2 The Scheme shall be subject to the administration of the Board whose decision and interpretation (save as otherwise provided herein) shall be final and binding on all parties who may be affected thereby.

4.3 A Grantee shall ensure and, by accepting an Offer, shall be deemed to have represented and undertaken to the Company, that the acceptance of an Offer, the holding and exercise of his Option and/or Award in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Option and/or Award, or the transfer and release of Shares from the Award Trustees to him upon the exercise of his Award (where applicable as per Clause 5.8) and the holding of such Shares are and will be valid and will comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Board may, as a condition precedent of making an Offer, allotting Shares upon an exercise of an Option and transferring and releasing Shares upon exercise of an Award, require a Proposed Grantee to produce such evidence as they may reasonably require for such purpose.

## 5. GRANT OF OPTIONS AND/OR AWARDS

5.1 On and subject to the terms of the Scheme, including but not limited to Clause 5.11 below, the Board shall be entitled at any time and from time to time within ten (10) years after the Effective Date to offer to grant to any Employee Participant, Related Entity Participant and/or Service Provider (the “**Proposed Grantee**”) as the Board may in its absolute discretion select, an Option to subscribe for such number of Shares (being a Board Lot or an integral multiple thereof) as the Board may determine at the Exercise Price, and/or an Award (with or without a purchase price, which is at the absolute discretion of the Board) which gives the Proposed Grantee a conditional right, when the Award Shares vest, to obtain the Award Shares or, if in the absolute discretion of the Board, it is not practicable for the Proposed Grantee to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. The Board may in its absolute discretion specify such conditions (if any) as it thinks fit when making such offer to the Proposed Grantee, including, without limitation and notwithstanding Clause 7.1, as to performance target to be satisfied by the Proposed Grantee and/or the Company before an Option and/or Award can be exercised.

5.2 Subject to Clause 5.3 below, the Board shall not offer to grant any Option and/or Award to any Proposed Grantee:

- (a) where a prospectus is required to be issued in connection with such grant under the Companies Ordinance or Companies (Winding Up and Miscellaneous Provisions) Ordinance or any other applicable laws;
- (b) where any requisite approval from any applicable regulatory authorities has not been granted;
- (c) where such Option and/or Award would result in a breach of any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Option and/or Award would result in a breach of the Scheme Mandate Limit, Service Provider Sublimit or the minimum public float requirement as required under the Listing Rules, or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;

- (e) after inside information has come to the knowledge of the Company or a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been published;
- (f) during the period commencing one (1) month immediately preceding the earlier of:
  - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules),and ending on the date of the relevant results announcement; or
- (g) during any period of delay in the publication of a results announcement.

5.3 Further to Clause 5.2 above, if the Exercise Price of the Option is fixed at the Grant Date, the Board shall not offer to grant any Option to any Director in the following period:

- (a) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules; and
- (b) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules.

5.4 An offer of grant of an Option and/or Award shall be made to any Proposed Grantee in writing (each, an “**Offer**”) in such form as the Board may from time to time determine, specifying (i) the Grant Date, (ii) the name of the Proposed Grantee, (iii) the number of Shares comprised in the Option and/or Award, (iv) the Exercise Price if the Offer is an offer of grant of Option and/or the purchase price (if any) of the Award if the Board so decided at the Board’s absolute discretion, (v) the market price of the Share on the Grant Date, (vi) the Exercise Period during which the Option and/or Award may be exercised, (vii) the Vesting Period, and if the Vesting Period is shorter than that as required by Rule 17.03F of the Listing Rules, the relevant circumstances that is permitted under Clause 7.6 below, and if the Proposed Grantee is a Director and/or senior manager, the fact that the relevant Vesting Period is determined by the Remuneration Committee and the Remuneration Committee’s view on why the relevant Vesting Period is appropriate, (viii) the date by which the Option and/or Award must be accepted being a date not more than thirty (30) days after the date of



the Offer, (ix) the performance target (which may be qualitative) (if any) to be satisfied by the Proposed Grantee and/or the Company before an Option and/or Award can be exercised and the clawback mechanism (if any) for the Company to claw back any Option and/or Award granted, and if the Proposed Grantee is a Director and/or senior manager and where no performance target and/or clawback mechanism is/are stipulated in the Offer, the views of the Remuneration Committee on why performance target and/or a clawback mechanism is/are not necessary and how Offer align with the purpose of the Scheme, (x) where the Proposed Grantee is a Service Provider or a Related Entity Participant, the reasons of the Offer and the views of the Board how the Offer aligns with the purpose of the Scheme, (xi) arrangement, if any, for the Company or any of its subsidiaries to provide financial assistance to the Proposed Grantee to facilitate the purchases of Shares under the Scheme, (xii) such other terms and conditions of the Offer as may be imposed by the Board as are not inconsistent with this Scheme, and (xiii) requiring the Proposed Grantee, by signing and returning a duplicate of the Offer, to accept the Offer and to undertake (for itself and, if applicable, on behalf of any nominee of the Proposed Grantee under Clause 7.3) to hold the Option and/or Award on the terms on which it is to be granted and to be bound by the provisions of the Scheme. The Offer shall be personal to the Proposed Grantee concerned and shall not be transferable.

- 5.5 An Option and/or Award shall be deemed to have been granted and accepted by the Proposed Grantee (the “**Grantee(s)**”) and to have taken effect when the duplicate of the Offer duly signed by the Grantee together with a payment to the Company, as the case may be, of HK\$1.00 (or its equivalent in the local currency of any jurisdiction where the Company and/or its subsidiaries, as the case may be, operate) by way of consideration for the grant thereof is received by the Company within the time period specified in the Offer. Such remittance shall in no circumstances be refundable and shall not be deemed to be a part payment of the Exercise Price and/or purchase price (if any).
- 5.6 Any Offer may be accepted or deemed to have been accepted in part provided that it is accepted in respect of a Board Lot or an integral multiple thereof and is clearly stated in the duplicate of the Offer documents comprising the acceptance of the Offer duly signed by the Grantee. To the extent that the Offer is not accepted within thirty (30) days from the date upon which it is made in the manner indicated in Clause 5.5, it will be deemed to have been irrevocably declined.
- 5.7 Upon an Offer being accepted by a Grantee in whole or in part in accordance with Clauses 5.5 or 5.6, an Option and/or Award in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Grantee on the Grant Date.
- 5.8 For the grant of Award to a Proposed Grantee, in the event that the Directors decide to, at their absolute discretion, to appoint an Award Trustee, the Company shall, as soon as reasonably practicable and no later than thirty (30) business days from the date of acceptance of the Offer, elect as the Directors deems appropriate as per their absolute discretion, (i) issue and allot Shares to the Award Trustee and/or (ii) transfer to the Award Trustee the necessary funds and instruct the Award Trustee to acquire Shares through on-market transactions at the prevailing market price, so as to satisfy the Award.

- 5.9 The Company shall not issue or allot Shares, nor direct and procure the Award Trustee in case the Directors elects to appoint the same under Clause 5.8 above, to acquire Shares through on-market transactions at the prevailing market price, where such action (as applicable) is prohibited under the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or other applicable laws from time to time. Where such a prohibition causes the prescribed timing imposed by the Scheme or the trust deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.
- 5.10 Further to Clause 5.8 and subject to Clause 5.9 above, in the case that there is last outstanding Awards as may be resulted from, including but not limited to the lapse of Offer as stipulated in Clauses 5.4 to 5.6 above and/or the occurrence of clawback incidents as stipulated in Clause 7.2 below (where applicable), on the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Awards granted under the Scheme, the Award Trustee shall sell all the Shares remaining in the Trust within a reasonable period of time as agreed between the Award Trustee and the Board upon receiving notice of settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding (or such longer period as the Board may otherwise determine) and remit all cash and net proceeds of such sales referred to herein (including any retained dividends, if applicable, after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the trust deed to be entered into with the Award Trustee) to the Company.
- 5.11 For avoidance of doubt, the Company shall not issue new Shares to any trustee of the Scheme before the Effective Date to fund future grants of Options and/or Awards to Proposed Grantees. Grants of Options and/or Awards over new shares by the Company must be made to, or for the benefit of, specified Proposed Grantees. Grants to a trust or similar arrangement are allowed only if they are made for the benefit of specified Proposed Grantees in accordance with Clause 5.8 (Directors elect to appoint Award Trustee) above or the Grantee elects to appoint a nominee in accordance with Clause 7.3 below.

## 6. **EXERCISE PRICE**

- 6.1 The Exercise Price in respect of any Option shall be such price determined by the Board and notified to any Grantee (subject to any adjustments made pursuant to Clause 11) which must be at least the highest of:
- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for a Board Lot on the Grant Date;
  - (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for a Board Lot for the five (5) Business Days immediately preceding the Grant Date (providing that in the event that any option is proposed to be granted within a period of less than five (5) Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares shall be used as the closing price of any Business Day falling within the period before the listing of the Shares on the Stock Exchange); and

(c) the nominal value of a Share on the Grant Date.

6.2 For avoidance of doubt, an Award may be granted with or without a purchase price, but such purchase price of an Award (if any) is not restricted by Clause 6.1 above.

## 7. EXERCISE OF OPTIONS AND/OR AWARDS

7.1 The granting and/or vesting of Options and/or Awards shall also be subject to the performance target to be satisfied by the Grantee as determined by the Board from time to time. The performance target may comprise a mixture of attaining a satisfactory key performance indicators components (such as the business performance and financial performance of the Group/department including but not limited to annual sales targets attained by the Employee Participants and/or Related Entity Participants with reference to sales report, the revenue/ operational profit recorded by the Group with reference to its accounts and individual performance based on the quarterly performance assessment and annual review results) which may vary among the Grantees. The Group's human resources department and/or sales department will collate the reference materials including but not limited to sales report, the Group's financial accounts and individual annual performance results and prepare a recommended grantees list for the Board for their consideration and decision on the grant of Options and/or Awards.

7.2 Upon the occurrence of any of the following in relation to a Grantee, the Company shall propose that no further Options and/or Awards shall be granted to such Grantee and shall claw back the Options and/or Awards granted to such Grantee and such Options and/or Awards shall lapse automatically:

(a) the results of the economic responsibility audit and other reports proved that the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance;

(b) the Grantee has contravened the relevant laws and regulations of the applicable jurisdictions and/or the provisions of the Memorandum and the Articles of Association;

(c) the Grantee has, during his tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company; or

(d) the Grantee has failed to discharge, or failed to discharge properly, his duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequence.

7.3 An Option and/or Award shall be personal to the Grantee and shall not be assignable. Except for the transmission of an Option on the death of a Grantee to his/her legal personal representatives and nomination of an entity wholly-owned by a Grantee to hold his/her Option and/or Award on his/her behalf, a Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option and/or Award or enter into any agreement to do

any of the foregoing Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Option and/or Award granted to such Grantee (to the extent not already exercised). In the event any Grantee wishes to transfer the Options and/or Awards to a vehicle, including but not limited to a trust or a private company, for the benefit of the Grantee and any family members of such Grantee, provided that such transfer would continue to meet the purpose of the Scheme and comply with the Listing Rules, the Board may in their absolute discretion decide to apply to the Stock Exchange for a waiver. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle as required by the Stock Exchange.

- 7.4 For the case of Option, a Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) may exercise his/her Option in whole or in part (but, if in part, only in respect of a Board Lot or any integral multiple thereof) in the manner as set out in Clause 7.7 by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares to be subscribed. Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate from the Auditors (or the independent financial adviser appointed by the Board) pursuant to Clause 11, the Company shall allot and issue the relevant Shares to the Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) credited as fully paid and issue to the Grantee (or his nominee or his legal personal representative(s)) a share certificate in respect of the Shares so allotted.
- 7.5 For the case of Award, a Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) may exercise his/her Award in whole or in part (but, if in part, only in respect of a Board Lot or any integral multiple thereof) in the manner as set out in Clause 7.7 by giving notice in writing to the Company stating that the Award is thereby exercise and specifying the number of Shares to be obtained. Each such notice must be accompanied by a remittance for the full amount of the aggregate purchase price (where applicable) for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and, where appropriate, receipt of the certificate from the Auditors (or the independent financial adviser appointed by the Board) pursuant to Clause 11, the Company shall allot and issue the relevant Shares and/or instruct the Award Trustee (where applicable as the Directors elect to appoint in accordance with Clause 5.8 above) the extent to which the Award Shares held in the trust shall be transferred and released from the trust to the Grantee (or his nominee or his legal personal representative(s)) the share certificate in respect of the Shares so allotted and/or transferred. In case of the Award Trustee, the Award Trustee shall transfer and release the relevant Award in manner as determined by the Board. If, in the absolute discretion of the Board, it is not practicable for the Grantee to receive the Award in Shares, solely due to legal or regulatory restrictions with respect to the Grantee's ability to receive the Award in Shares or the Award Trustee's ability to give effect to any such transfer to the Grantee, the Board shall sell, or direct and procure the Award Trustee to sell, on-market at the

prevailing market price, the number of Award Shares so obtained in respect of the Grantee and pay the Grantee the proceeds arising from such sale based on the actual selling price of such Award Shares in cash.

- 7.6 All Options and/or Awards granted under the Scheme will be subject to a vesting period no less than twelve (12) months from the Grant Date (the “**Vesting Period**”) except for the circumstances set out below:
- (a) the Options and/or Awards granted to the Grantee who is an Employee Participant (i.e. including Directors and senior managers) are grants of “make-whole” Options and/or Awards to the Grantee upon joining the Group to replace the share options and/or awards he forfeited when leaving the previous employer, such that the Vesting Period of such Options and/or Awards granted under the Scheme shall apportion rateably based on the Vesting Period applicable to such Grantee’s unvested outstanding share options and/or awards granted by his previous employer;
  - (b) the unvested Options and/or Awards granted to the Grantee who is an Employee Participant (i.e. including Directors and senior managers) may vest with the Grantee or the legal representatives of the Grantee (in the case of death) within a period of twelve (12) months from the date of cessation of the employment of the Grantee if such cessation is due to disability or death of the Grantee, provided that the Grantee had been continuously an employee of any member of the Group from the Grant Date until the date of cessation of employment of such Grantee;
  - (c) the Options and/or Awards are granted to the Grantee who is an Employee Participant (i.e. including Directors and senior managers) with performance-based vesting conditions in lieu of time-based vesting criteria;
  - (d) in the event that it is not practicable for the Grantee who is an Employee Participant (i.e. including Directors and senior managers) to be granted the Options and/or Awards in a planned grant period due to legal or regulatory restrictions, such that the Options and/or Awards which should have been granted earlier (the “**Delayed Grant**”) are granted together with a subsequent batch of Options and/or Awards to the remaining Grantees during a calendar year, the Vesting Period for the Options and/or Awards underlying the Delayed Grant can be shorter than twelve (12) months from the Grant Date to reflect the time which such Options and/or Awards would have been granted;
  - (e) the Options and/or Awards are granted to the Grantee who is an Employee Participant (i.e. including Directors and senior managers) with a mixed or accelerated vesting schedule that the Options and/or Awards vest evenly over a period of twelve (12) months; or
  - (f) the Options and/or Awards are granted to the Grantee who is an Employee Participant (i.e. including Directors and senior managers) on the conditions that the total period for vesting of the Options and/or

Awards and holding the Shares subscribed or Award Shares will be more than twelve (12) months from the Grant Date, in which case the Vesting Period of the Options and/or Awards can be shorter than twelve (12) months from the Grant Date.

- 7.7 Subject as hereinafter provided in the Scheme, the Vesting Period specified in Clause 7.6 and any conditions specified by the Board pursuant to Clause 5.1, particularly any performance target as specified in Clause 7.1 above, the Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) may exercise his Option and/or Award at any time or times during the Exercise Period, provided that:
- (a) where the Grantee is an Employee Participant or Related Entity Participant, in the event of the Grantee ceasing to be an Employee Participant or Related Entity Participant for any reason other than his death or the termination of his employment on one or more of the grounds specified in Clause 7.7(b) or Clause 8.1(d), the Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf) may exercise the Option and/or Award up to the Grantee's entitlement at the date of cessation of his employment (to the extent not already exercised) until the date of such cessation, which date shall be his last actual working day with the Group or the holding companies, fellow subsidiaries or associated companies of the Company, whether salary is paid in lieu of notice or not, or until any such date as the Board or the board of the holding companies, fellow subsidiaries or associated companies of the Company gives notice in writing to the Grantee prior to such date of cessation;
  - (b) where the Grantee is an Employee Participant or Related Entity Participant, in the event of the Grantee ceasing to be an Employee Participant or Related Entity Participant by reason of ill-health, injury or disability not attributable to his own misconduct or redundancy (as defined under applicable laws), retirement, agreement with the Board or the board of the holding companies, fellow subsidiaries or associated companies of the Company or transfer of business in relation to which the Employee Participant or Related Entity Participant was engaged to a company outside the Group or the holding companies, fellow subsidiaries or associated companies of the Company and none of the events which would be a ground for termination of his employment under Clause 8.1(d) has occurred, the Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf) may exercise the Option and/or Award up to his entitlement at the date of cessation of his employment (to the extent not already exercised) until the date of such cessation, which date shall be his last actual working day with the Group or the holding companies, fellow subsidiaries or associated companies of the Company whether salary is paid in lieu of notice or not, or until any such date as the Board or the board of the holding companies, fellow subsidiaries or associated companies of the Company gives notice in writing to the Grantee prior to such date of cessation;

- (c) in the case:
- (i) where the Grantee is a Service Provider under a fixed term contract, if the Grantee ceases to be a Service Provider by reason of termination or expiry of the term of the relevant fixed term contract without any extension or renewal by the Company or its relevant Subsidiary for reasons other than (1) on one or more of the grounds specified in Clause 8.1(d) or (2) on his death or its winding up (as the case may be), or
  - (ii) where the Grantee is a Service Provider not under any fixed term contract, if the Grantee ceases to be a Service Provider by reason of the Grantee ceasing to provide any further advisory or consultancy or other kind of services, support, assistance or contribution to the Company or its relevant Subsidiary, supply of product to the Company or its relevant Subsidiary as may be determined by the Board and notified to such Service Provider in writing for reasons other than (1) on one or more of the grounds specified in Clause 8.1(d) or (2) on his death or its winding up (as the case may be),

the Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf) may exercise the Option and/or Award up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within the period of six (6) months (or such other period as the Board may determine) following the date of such cessation, which date shall, in the case of (i) above, be the date of expiry of the relevant fixed term contract or, in the case of (ii) above, be the date of the written notification to the service provider;

- (d) where the Grantee is an Employee Participant, Related Entity Participant and/or a Service Provider, in the event of the death or winding up of the Grantee and none of the events specified in Clause 8.1(d) has occurred, the legal personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months from the date of death or winding up (or such other period as the Board may determine) to exercise the Option and/or Award up to his entitlement (to the extent not already exercised);
- (e) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror (as defined in The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time)) the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) on the same terms *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options and/or Awards granted to them, shareholders of the Company. If such offer, having been approved or conducted in accordance with applicable laws

and regulatory requirements becomes effective, or becomes or is declared unconditional, each Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) shall be entitled to exercise the Option and/or Award up to his entitlement (to the extent not already exercised) at any time thereafter and up to the close of such offer (or relevant revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option and/or Award will lapse automatically on the date which such offer (or the relevant revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be;

- (f) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same day as or soon after it despatches such notice to each shareholder of the Company give notice thereof to all Grantees (together with a notice of the existence of this provision) and thereupon, each Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) shall be entitled to exercise all or any of his Options and/or Awards up to his entitlements (to the extent not already exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company. The notice of exercising Options shall be accompanied by a remittance for the full amount of the aggregate Exercise Price and/or purchase price, if applicable, for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid. Where applicable, upon receiving the notice of exercising Awards, the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, instruct the Award Trustee to transfer and release the relevant Award Shares from the trust to the Grantee. Subject to the above, all Options and/or Awards then outstanding shall lapse and determine on the commencement of the winding-up;
- (g) if a compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies, the Company shall give notice thereof to all Grantees (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s)) (together with a notice of the existence of the provisions of this Clause) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s)) shall be entitled to exercise the Option and/or Award up to his entitlement at any time no later



than two (2) Business Days preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. The Company will as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed meeting, allot or transfer the relevant Shares to the Grantee credited as fully paid. With effect from the date of such meeting, the rights of all Grantees (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s)) to exercise their respective Options and/or Awards shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options and/or Awards shall, to the extent that they have not been exercised, lapse and terminate. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options and/or Awards under this Clause 7.7(g) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court, if and where applicable) the rights of Grantees (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s)) to exercise their respective Options and/or Awards shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s)) as a result of the aforesaid suspension; and

- (h) if a Grantee nominates a company wholly owned by him to hold his Option and/or Award on his behalf in accordance with Clause 7.3:
  - (i) the provisions of Clauses 7.7(a) and 7.7(b) shall apply to such nominee and to the Options and/or Awards granted to such nominee, *mutatis mutandis*, as if such Options and/or Awards had been granted to the relevant Grantee, and such Options and/or Awards shall accordingly lapse or fall to be exercisable after the event(s) referred to in Clauses 7.7(a) and 7.7(b) shall occur with respect to the relevant Grantee; and
  - (ii) the Options and/or Awards granted to such nominee shall lapse and determine on the date such nominee ceases to be wholly owned by the relevant Grantee provided that the Board may in their absolute discretion decide that such Options and/or Awards or any part thereof shall not so lapse or determine subject to such conditions or limitations as the Board may impose.

- 7.8 For the case of Option and/or Award that is awarded by direct allotment and issuance of Shares to a Grantee (shall be including, where applicable, the case of Grantee's nominee under Clause 7.3 on the Grantee's behalf or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s), for the purpose under and only under this Clause 7.8), the Shares to be allotted and issued upon the exercise of an Option and/or Award will be subject to all the provisions of the Memorandum and the Articles of Association and will rank *pari passu* in all respects and will have the same voting, dividend, transfer and other rights (including those arising on winding-up) as are attached to the other fully paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.
- 7.9 For the case of Award that is to be awarded to a Grantee (shall be including, where applicable, the case of Grantee's nominee under Clause 7.3 on the Grantee's behalf or where permitted under Clause 7.7(d) the Grantee's legal personal representative(s), for the purpose under and only under this Clause 7.9) through the transfer and release of Shares (i.e. the concerned **Award Shares**) held by an Award Trustee (which is at the Board's absolute discretion to appoint in accordance with Clause 5.8) to the Grantee, the Award Share that to be transferred and released to a Grantee will be subject to all the provisions of the Memorandum and the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer and release of the Award Shares from the trust to the Grantee and subject to the registration of the name of the Grantee on the register of members of the Company, the Grantee shall accordingly be entitled to participate in all dividends and other distributions paid or made on or after the date of the name of Grantee is registered on the register of members of the Company. For avoidance of doubt, before the transfer and release of the Award Share from the Award Trustee to the Grantee, the Grantee only has a contingent underlying interest in the Award Share unless and until such Award Shares are actually transferred to the Grantee, nor does he have any rights to any related income until the Award Shares vest. Unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given, neither the Grantee nor the Award Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested. For the period between the date the Award Share being vested and the date the Award Share being transferred and released to the Grantee, the Award Trustee shall not exercise any voting rights in respect of the Award Share unless otherwise required by law but shall retained any income and dividend the Award Share so entitled during such period and shall remit the same (interest free unless otherwise specified by the Board at the Board's absolute discretion as previously agreed between the Board and the Award Trustee) to the Grantee on or reasonable time after the date when the Award Share is transferred and released to the Grantee.
- 7.10 Upon the exercise of an Option and/or Award by a Grantee (or, if applicable, the Grantee's nominee under Clause 7.3 on the Grantee's behalf, or where permitted under Clause 7.7(d), the Grantee's legal personal representative(s), or the Award Trustee), the Company shall, if applicable, make all necessary arrangements to facilitate the exercise of the Option and/or Award by such Grantee (or his nominee or his legal personal representative(s)) in accordance with applicable laws.

## 8. LAPSE OF OPTION AND/OR AWARD

8.1 An Option and/or Award shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Exercise Period;
- (b) the expiry of any of the periods referred to in Clause 7.7(a), 7.7(b), 7.7(c), 7.7(d), 7.7(e), 7.7(g) or 7.7(h);
- (c) subject to Clause 7.7(f), the date of the commencement of the winding up of the Company;
- (d) the date on which:
  - (i) where the Grantee is an Employee Participant or Related Entity Participant, the Grantee ceases to be an Employee Participant or Related Entity Participant by reason of the summary termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or board of the holding companies, fellow subsidiaries or associated companies of the Company) on any other ground on which an employer would be entitled to summarily terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company, its relevant Subsidiary or the holding companies, fellow subsidiaries or associated companies of the Company; or
  - (ii) where the Grantee is a Service Provider, and the Service Provider is under any contract with the Company or its relevant Subsidiary, such contract is terminated by reason of breach of contract on the part of the Service Provider; or
  - (iii) where the Grantee is a Service Provider, the Grantee appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangement (including a voluntary arrangement) or composition with his creditors generally, or ceases or threatens to cease to carry on his business, or is bankrupted, or has been convicted of any criminal offence involving integrity or honesty, or could no longer make any contribution to the growth and development of the Group by reason of its cessation of its relations with the Group or by any other reason whatsoever,

provided that whether any one or more of the events specified above occur in relation to a Grantee shall, in its reasonable opinion, be solely and conclusively determined by the Board; or

- (e) the date on which the Grantee commits a breach of Clause 7.3;

- (f) further to and subject to Clause 7(d) above, twelve (12) months from the date of the death or winding up of the Grantee (being an individual and if not exercised by his legal personal representative);
- (g) further to Clause 7(h)(ii) above, in cases where the Option and/or Award is held by a nominee of the Grantee, the date such nominee ceases to be wholly owned by the relevant Grantee;
- (h) the date on which the Grantee commits any breach if any terms or conditions attached to the grant of the Option and/or Award under the Scheme, unless otherwise resolved to the contrary by the Board; or
- (i) the date on which the Company claws back the Options and/or Awards granted pursuant to Clause 7.2

## 9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR GRANT

- 9.1 The total number of Shares which may be issued upon exercise of all Options and Awards that may be granted under the Scheme and any other schemes shall not in aggregate exceed ten percent (10%) of the relevant class of Shares of the Company in issue as at the date of listing of the Shares on the Stock Exchange, being 50,000,000 Shares (the “**Scheme Mandate Limit**”), unless the Company obtains the approval of its Shareholders in accordance with Clause 9.4.
- 9.2 The total number of Shares which may be issued upon exercise of all Options and Awards that may be granted to Service Providers under the Scheme and together with any other share schemes (and to which the provisions of Chapter 17 of the Listing Rules are applicable, and that the Shareholders may approve from time to time) shall not in aggregate exceed three percent (3%), being 15,000,000 shares of the relevant class of Shares in issue on the date the Shares commence trading on the Stock Exchange (the “**Service Provider Sublimit**”), for avoidance of doubt, for the purpose of calculation of the above aggregate percentage, any Shares which may be issued upon the exercise of any over-allotment option shall not be included; however, the Service Provider Sublimit may be altered if the Company obtain the approval of its Shareholders in accordance with Clause 9.4.
- 9.3 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit or the Service Provider Sublimit, the respective percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall remain the same, rounded to the nearest whole share.
- 9.4 The Company may refresh the Scheme Mandate Limit and/or the Service Provider Sublimit once every three (3) years from the date of Shareholders’ approval for the last refreshment (or the Effective Date, where applicable) subject to prior Shareholders’ approval in the general meeting provided that (1) the controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Director (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in

favour of the relevant resolution at the general meeting; and (2) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (1) and (2) of this clause do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a *pro rata* basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share. Any Scheme Mandate Limit as refreshed shall not exceed ten percent (10%) of the Shares in issue as at the date of the aforesaid Shareholders' approval. A circular must be sent to Shareholders containing the number of Options and Awards that were already granted under the existing Scheme Mandate Limit and the Service Provider Sublimit, and the reason for the refreshment.

- 9.5 The Company may also seek separate Shareholders' approval in general meeting for granting options and/or awards beyond the Scheme Mandate Limit to all Proposed Grantees specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular must be sent to Shareholders containing (among other requirements as specified under the Listing Rules) the name of the identified Proposed Grantees, the number and terms of the options and/or awards to be granted, the purpose of granting options and/or awards to the identified Proposed Grantees, and how those options and/or awards serve such purpose.
- 9.6 The total number of Shares issued/transferred and to be issued/transferred upon exercise of the Options and/or Awards granted to each Proposed Grantee (excluding any options and awards lapsed in accordance with the terms of the Scheme) in any 12-month period shall not exceed one percent (1%) of the Shares in issue (the "**1% Individual Limit**"). Any further grant of Options and/or Awards to Proposed Grantee which would result in the Shares issued and to be issued upon exercise of all Options and Awards granted and to be granted to such Proposed Grantee in the 12-month period up to and including the Grant Date of such further options and/or awards exceeding the 1% Individual Limit shall be subject to:
- (a) the issue of circular to the Shareholders, containing (among other requirements under the Listing Rules) the identity of the Proposed Grantee, the number and terms (including the exercise price) of the Options and/or Awards to be granted (and those previously granted to such Proposed Grantee in the 12-month period), the purpose of granting Options and/or Awards to the Proposed Grantee and an explanation as to how those Options and/or Awards serve such purpose; and
  - (b) separate Shareholders' approval in advance with such Proposed Grantee and his close associates (or his associates if such Proposed Grantee is a connected person) abstaining from voting. The Board shall forward to such Proposed Grantee an offer document in such form as the Board may from time to time determine or, alternatively, documents accompanying the offer document which state, among other things:
    - (i) the Proposed Grantee's name, address and occupation;

- (ii) the date on which an option and/or award is offered to a Proposed Grantee which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (iii) the date upon which an offer for an option and/or award must be accepted;
- (iv) the date upon which an option and/or award is deemed to be granted and accepted in accordance with Clause 5.5 and Clause 5.6;
- (v) the number of Shares in respect of which the option and/or award is offered;
- (vi) the exercise price and/or purchase price (if any) and the manner of payment of such price for the Shares on and in consequence of the exercise of the option and/or award;
- (vii) the date of the notice given by the grantee in respect of the exercise of the option and/or award;
- (viii) the method of acceptance of the option and/or award which shall, unless the Board otherwise determines, be as set out in Clause 7.4 and Clause 7.5; and
- (ix) such other terms and conditions (including, without limitation, any minimum period for which an option shall be held before it can be exercised and/or any performance targets which must be achieved before the option and/or award can be exercised) which in the opinion of the Board are fair and reasonable but not being inconsistent with the Scheme and the Listing Rules.

## 10. GRANT OF OPTIONS AND/OR AWARDS TO CONNECTED PERSONS

- 10.1 The independent non-executive Directors (excluding any independent non-executive Directors of the Company who is a Proposed Grantee) will be required to approve each grant of Options and/or Awards to a Director, chief executive or substantial shareholder of the Company or any of their respective associates.
- 10.2 Where any grant of Awards (excluding grant of Options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the Grant Date, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant must be approved by Shareholders in general meeting in the manner set out in Clause 10.4.
- 10.3 Where any grant of Options and/or Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the

terms of the Scheme) to such person in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Options and/or Awards must be approved by Shareholders in general meeting in the manner set out in Clause 10.4.

- 10.4 In the circumstances described Clause 10.2 and Clause 10.3, the Company must send a circular to the Shareholders. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular must contain (i) details of number and terms of the Options and/or Awards to be granted to each Proposed Grantee, (ii) the views of the independent non-executive Directors (excluding any independent non-executive Directors who is the Proposed Grantee of the Options and/or Awards) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interest of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting, (iii) the information required under Rule 17.02(2)(c) of the Listing Rules, and (iv) the information required under Rule 2.17 of the Listing Rules to the shareholders.

## 11. REORGANISATION OF CAPITAL STRUCTURE

- 11.1 In the event of a capitalisation issue, rights issue, consolidation or subdivision of Shares or a reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) whilst any Option remains exercisable and/or Award Share remains outstanding, such corresponding adjustments (if any) certified by the Auditors (or an independent financial adviser appointed by the Board) to the Company as fair and reasonable shall be made to:

- (a) the number of Shares to which the Option relates (insofar as it is unexercised) and/or Award Share that remains outstanding; and/or
- (b) the Exercise Price of the Options granted (insofar as they are unexercised),

provided that (i) any such alteration shall give a Grantee (shall be including, where applicable, the case of Grantee's nominee under Clause 7.3 on the Grantee's behalf where permitted under Clause 7.7(d), the Grantee's legal personal representative(s), or the Award Trustee if elected by the Board, for the purpose under and only under this Clause 11) the same proportion of the equity capital (rounded to the nearest whole Share) to which he was entitled prior to such alteration; (ii) any such adjustment shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as it was before such event; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value (if any). In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such Auditors or independent financial advisor must confirm to the Directors in writing that the adjustments comply with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time). The Auditors (or an independent financial adviser appointed by the Board) shall, for the purposes of this Clause 11, act as experts and not as

arbitrators, and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors (or the independent financial adviser appointed by the Board) shall be borne by the Company.

- 11.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 11.1, the Company shall, upon receipt of a notice from the Grantee in accordance with Clause 7.4, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors (or an independent financial adviser appointed by the Board) obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors (or the independent financial adviser appointed by the Board) to issue a certificate in that regard in accordance with Clause 11.1.

## 12. SHARE CAPITAL

- 12.1 The exercise of any Option and/or Award shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options and/or Awards.

## 13. DISPUTES

- 13.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option and/or Award, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest errors, be final and binding on the parties to the dispute.

## 14. ALTERATION OF THE SCHEME

- 14.1 The Scheme may be altered in any respect by resolution of the Board except that:
- (a) the definitions of *Employee Participant*, *Related Entity Participant*, *Service Provider*, *Proposed Grantee*, *Grantee*, *Exercise Period* and *Vesting Period* in Clause 1.1 and any alteration to the terms and conditions of the Scheme which are of a material nature or any alteration to any provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules, including, without limitation, Clauses 2, 4.1, 5.4, 5.5, 6, 7, 8, 9, 10, 11, 12, 15, 16 and this Clause 14, to the advantage of Grantees or Proposed Grantees; and
  - (b) any change to the authority of the Board or scheme administrators in relation to alter the terms of the Scheme,

must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option and/or Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of Association for a variation of the rights attached to the Shares.



14.2 Any change to the terms of the Options and/or Awards granted to a Grantee shall be subject to the approval of the Board, Remuneration Committee, independence non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of Options and/or Awards was approved by such person(s) (as the case may be), save where the alterations take effect automatically under the existing terms of the Scheme.

14.3 The terms of this Scheme and/or any Options and/or Awards amended pursuant to this Clause 14 must continue to comply with the relevant provisions of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

## 15. **TERMINATION**

15.1 The Scheme will expire automatically on the day immediately preceding the tenth anniversary of the date on which the condition set out in Clause 3 becomes unconditional, which is expected to be the Listing Date. The Company by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options and/or Awards will be offered but the provisions of the Scheme shall remain in full force in all other respects. All Options and/or Awards granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the Scheme.

## 16. **CANCELLATIONS OF OPTIONS AND/OR AWARDS**

16.1 Options and/or Awards granted but not exercised or lapsed may be cancelled with the consent of the relevant Grantee (or, if applicable, his nominee or his legal personal representative(s)) upon approval by a resolution of the Board at its absolute discretion.

16.2 Any Grantee (or, if applicable, his nominee or his legal personal representative(s)) whose Options and/or Awards are cancelled pursuant to Clause 16.1 may be issued new Options and/or Awards in accordance with the provisions of the Scheme, provided that unissued options and/or awards are available under the Scheme within the limits specified in Clauses 9.1 to 9.4.

## 17. **MISCELLANEOUS**

17.1 The Scheme shall not form part of any contract of employment or engagement of services between the Company, any of its Subsidiaries or the holding companies, fellow subsidiaries or associated companies of the Company and any Employee Participant, Related Entity Participant and/or Service Provider and the rights and obligations of any Employee Participant, Related Entity Participant and/or Service Provider under the terms of his office, employment or engagement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme and shall afford such an Employee Participant, Related Entity Participant and/or Service Provider no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement of services for any reason.

17.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options and/or Awards themselves) against the Company

directly or indirectly or give rise to any cause of action at law or in equity against the Company.

- 17.3 The Company shall bear the costs of establishing and administering the Scheme.
- 17.4 A Grantee shall upon accepting an Offer of grant of an Option and/or Award be entitled to receive a copy of the Scheme and shall, until the expiry of the Option and/or Award, be entitled to receive, for information only, copies of all notices and other documents sent by the Company to holders of Shares generally.
- 17.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, the company secretary of the Company or as notified to the Grantees from time to time and, in the case of the Grantee, his address as notified to the Company from time to time.
- 17.6 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served twenty-four (24) hours after the same was posted, or if the same was delivered by hand, upon delivery; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company and such notice or communication shall be irrevocable.
- 17.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option and/or Award. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein.
- 17.8 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option and/or Award.
- 17.9 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme and the Listing Rules.
- 17.10 The Scheme and all Options and/or Awards granted hereunder shall be governed by and construed in accordance with Hong Kong law.
- 17.11 The Company will disclose details of the Scheme in its annual and interim reports including the number of Options and/or Awards, date of grant, exercise price, exercise

period and Vesting Period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

**\* \* \* END OF THIS SCHEME \* \* \***