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## **YEEBO (INTERNATIONAL HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 259)**

### **RULES OF SHARE OPTION SCHEME**

Conditionally adopted by resolution of the shareholders of  
the Company  
at the annual general meeting of the Company  
held on [16 August] 2024

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#### **1. DEFINITIONS AND INTERPRETATION**

1.1 In the Scheme, each of the following words and expressions shall, unless the context requires otherwise, have the following meaning:

<b>“Adoption Date”</b>	the date on which the Scheme was conditionally adopted by resolution of the Shareholders;
<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Auditor”</b>	the auditor of the Company from time to time;
<b>“Board”</b>	the board of Directors from time to time, which for the purposes of the Scheme shall include such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors from time to time to administer the Scheme;
<b>“Business Day(s)”</b>	any day(s) on which the Stock Exchange is open for business of dealing in securities and on which banks are open for business in Hong Kong, throughout their normal business hours, other than a Saturday, Sunday, or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
<b>“Bye-laws”</b>	the bye-laws of the Company from time to time in effect;
<b>“chief executive”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“close associate(s)”</b>	has the meaning ascribed to it under the Listing Rules;

<b>“Company”</b>	Yeebo (International Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 259)
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“core connected person(s)”</b>	a director, chief executive or substantial shareholder of the Company or of any of its subsidiaries or a close associate of any of them;
<b>“Director”</b>	any director (including any independent non-executive director) of the Company for the time being;
<b>“Employee Participant(s)”</b>	director(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the Scheme as an inducement to enter into employment contracts with these companies);
<b>“Grantee(s)”</b>	any Participant(s) who accepts an Offer in accordance with the terms of the Scheme and holder of any outstanding Option or (where the context so permits) a Personal Representative of such Grantee;
<b>“Group”</b>	the Company and its subsidiaries from time to time, and the expression <b>“Group company”</b> , <b>“Group member”</b> , <b>“member of the Group”</b> and their grammatical derivatives shall be construed accordingly;
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“inside information”</b>	has the meaning defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time;
<b>“Listing Committee”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange from time to time;
<b>“New Scheme Mandate Limit”</b>	has the meaning ascribed to it under paragraph 9.3.1;

<b>“Offer”</b>	an offer of the grant of an Option made in accordance with paragraph 5;
<b>“Offer Date”</b>	in relation to any Option, the date on which an Offer of such Option is made to a Participant subject to and in accordance with the terms hereof and which must be a Business Day, provided that the date on which the Board resolves to make an Offer should be taken as the Offer Date for the purpose of calculating the exercise price;
<b>“Option”</b>	a right granted to a Grantee to subscribe for Shares pursuant to the Scheme;
<b>“Option Period”</b>	in respect of any Option, a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the Offer Date (subject to the provisions for early termination contained in paragraph 8), for the avoidance of doubt, such period may, if the Board so determines, be set at different lengths for different Grantees and the Board may also set conditions and/or restrictions on the exercise of such Option during the period an Option may be exercised;
<b>“Option Price”</b>	the amount of HK\$1.00 payable upon each acceptance of grant of Option(s);
<b>“Other Schemes”</b>	other than the Scheme, all the schemes or arrangements involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules;
<b>“Participant(s)”</b>	any person(s) belonging to Employee Participants;
<b>“Participant Vehicle”</b>	has the meaning ascribed to it under paragraph 7.1(B);
<b>“Personal Representative(s)”</b>	in case of the death, physical or mental disability or incapacity of the Grantee or other event which, in the opinion of the Board, deprives a Grantee of his/her capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee), such person(s) recognised by the Company as the representative(s) to be assigned with the Option(s) (to the extent exercisable but not already exercised) granted to such Grantee or otherwise be entitled to exercise such Option(s) (to the extent exercisable but not already exercised) acting on

		behalf of the Grantee in consequence of such events by operation of law and subject to provision of such evidence as to his/her entitlement as may from time to time be required by and to the satisfaction of the Board;
<b>“Remuneration Committee”</b>		the remuneration committee of the Board;
<b>“Scheme”</b>		this share option scheme of the Company constituted by the Scheme Rules in its present form or as amended from time to time;
<b>“Scheme Mandate Limit”</b>		has the meaning ascribed to it under paragraph 9.1;
<b>“Scheme Period”</b>		the period commencing on the Adoption Date and expiring on the day immediately preceding the tenth anniversary of the Adoption Date (both days inclusive) but subject to early termination pursuant to the provisions hereof;
<b>“Scheme Rules”</b>		the rules of the Scheme in its present or any amended form;
<b>“Share(s)”</b>		ordinary share(s) in the capital of the Company and any other share(s) resulting from any sub-division, consolidation or reclassification of such share(s);
<b>“Shareholder(s)”</b>		holder(s) of Share(s);
<b>“Stock Exchange”</b>		The Stock Exchange of Hong Kong Limited;
<b>“Subscription Price”</b>		the price at which each Share subject to an Option may be subscribed on the exercise of that Option as determined by the Board, but subject to paragraphs 6 and 11, or (where applicable) such price as from time to time adjusted pursuant to the Scheme Rules;
<b>“subsidiary”</b>		any entity which falls within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
<b>“substantial shareholder(s)”</b>		has the meaning ascribed to it under the Listing Rules;
<b>“Takeovers Code”</b>		The Code on Takeovers and Mergers of Hong Kong issued by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time;

<b>“Vesting Date”</b>	in relation to any Option, the earliest date stated in the Offer on which the Option (or a tranche thereof) granted to a Grantee may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Option;
<b>“Vesting Period”</b>	in relation to any Option, the period commencing on the date on which the Grantee accepts such Option granted to him/her and ending on the Vesting Date (both dates inclusive); and
<b>“%”</b>	per cent.

1.2 In the Scheme, unless the context otherwise requires:

- 1.2.1 words importing the singular shall include the plural and vice versa;
- 1.2.2 words importing a gender or neutral shall include every gender and neutral;
- 1.2.3 the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of these Scheme Rules;
- 1.2.4 references to paragraph(s) or sub-paragraph(s) are references to the corresponding paragraph(s) or sub-paragraph(s) of these Scheme Rules;
- 1.2.5 references to any statute, statutory provision or regulatory provision (including any provision under the Listing Rules) shall be construed as references to such statute, statutory provision or regulatory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute, statutory provision or regulatory provision (including any provision under the Listing Rules) (whether with or without modification) from time to time whether before or after the Adoption Date, and shall include any subsidiary legislation enacted under the relevant statute from time to time whether before or after the Adoption Date;
- 1.2.6 references to persons shall include individual, firm, body corporate, corporations, unincorporated body of persons, government, state or agency of a state, joint venture, association or partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind (whether or not having separate legal personality);
- 1.2.7 the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”;
- 1.2.8 any reference to the Board’s decision, direction and other acts shall be deemed to be referring to the Board’s decision, direction and acts at its sole and absolute discretion, and in any expression which refers to the Board’s discretion, the word “discretion” shall be deemed to be preceded by the phrase “sole and absolute”; and

1.2.9 if any payment which is due or if any action is required to be made on a day that is not a Business Day, such due date of such payment or action shall be automatically be postponed to fall on the next Business Day; if any period during which a party is obliged to take any action or is entitled to enjoy any benefit falls on a date which is not a Business Day, such period shall automatically be extended to last on the next Business Day.

1.3 In construing these Scheme Rules:

1.3.1 the rule known as the *ejusdem generis* rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and

1.3.2 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## **2. CONDITIONS**

2.1 The Scheme shall take effect upon satisfaction of the following conditions:

2.1.1 the passing of the necessary resolution to adopt the Scheme by the Shareholders in a general meeting of the Company and to grant authorities to the Board to (i) grant Options under the Scheme in accordance with the Scheme Rules and (ii) allot, issue and deal in such number of Shares fall to be issued on the exercise of any Options to be granted under the Scheme; and

2.1.2 the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued by the Company pursuant to the exercise of any such Options in accordance with the terms and conditions of the Scheme.

2.2 Reference in paragraph 2.1.2 to the Listing Committee granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to fulfilment of any condition precedent or condition subsequent.

## **3. PURPOSES AND OBJECTIVES**

3.1 The purposes of the Scheme are (i) to recognise and acknowledge the contribution of the Participants and to motivate Participants to contribute to, and promote the interests of, the Company by granting Options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term relationships that the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

#### **4. ADMINISTRATION**

- 4.1 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) in all matters arising in relation to the Scheme and these Scheme Rules or their interpretation or effect shall, subject to all applicable laws, rules and regulations (including the Listing Rules) and requirements of any competent authorities and other than matters which require approval by the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) as required herein or under the Listing Rules, be final and binding on all parties who may be affected thereby, subject to (where appropriate) the prior receipt of a statement in writing from the Auditors or the independent financial adviser if and as required by paragraph 10.
- 4.2 Subject to these Scheme Rules, the Bye-laws, all applicable laws, rules and regulations including the Listing Rules, the Board or any committee of the Board or person(s) to whom the Board has delegated its authority shall have the general power from time to time to do the following, without limiting the generality of other powers and authority that the Board or such committee(s) or such person(s) may have under these Scheme Rules:
- 4.2.1 construe and interpret these Scheme Rules and the terms of the Offer granted under the Scheme;
  - 4.2.2 make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with these Scheme Rules and the Bye-laws, all applicable laws, rules and regulations including the Listing Rules;
  - 4.2.3 make Offer to those Participants whom it shall select from time to time;
  - 4.2.4 determine the terms and conditions of, and impose any restrictions and/or limitations to, the Offer;
  - 4.2.5 determine and impose the performance targets (if any) that must be duly fulfilled by a Grantee before an Option may become exercisable and determine whether such performance targets have been duly fulfilled (provided that in respect of any Grantee who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Board's decision shall be subject to the Remuneration Committee's views on whether and why performance targets and/or a clawback mechanism is/are necessary and how the Option could align with the purpose of the Scheme in such circumstance);
  - 4.2.6 establish and implement the Clawback policies and determine whether an Option and the underlying Shares are subject to Clawback (as defined in paragraph 5.16) (provided that in respect of any Grantee who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Board's decision shall be subject to the Remuneration Committee's views on whether and why performance targets and/or a clawback mechanism is/are necessary and how the Option could align with the purpose of the Scheme in such circumstance);

- 4.2.7 approve and issue the Grant Letter; and
- 4.2.8 take such other steps or actions to give effect to the terms and intent of the Scheme.
- 4.3 None of the Directors, any member of any committee of the Board nor person(s) to whom the Board has delegated its authority for administration of the Scheme shall be personally liable by reason of any contract or other instrument executed by he/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and of any committee of the Board and any person(s) to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, against any cost or expenses (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme other than those arising out of such person's own wilful default, fraud or bad faith.
- 4.4 In respect of the administration of the Scheme, the Company shall comply with all applicable laws, regulations and rules including but not limited to the Listing Rules and the Bye-Laws from time to time.

## **5. GRANT OF OPTIONS**

- 5.1 Upon and subject to the terms of the Scheme and all applicable laws, rules and regulations (including the Listing Rules), the Board shall be entitled at any time within the Scheme Period to make an Offer to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares, subject to paragraphs 5.5 to 5.7 and paragraph 9, as the Board may determine at the Subscription Price. The Board may in its absolute discretion specify such terms, conditions, restrictions and/or limitations as it thinks fit when making an Offer to a Participant (including, without limitation, as to any performance targets to be achieved as well as, subject to paragraph 5.14, the minimum period that an Option must be held before such Option can be exercised and the period within which payments or calls must or may be made or loans for such purposes must be repaid on a case-by-case basis), provided that such terms, conditions, restrictions and/or limitations shall not be inconsistent with any other terms and conditions of the Scheme and the applicable laws, rules and regulations (including the Listing Rules).
- 5.2 The eligibility of any of the Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Participant's contribution to the development and growth of the Group. In assessing whether Option(s) is/are to be granted to any Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions which have been provided or could be provided by such Participant to the Group, the special skills or technical knowledge or experience possessed by them which is beneficial to the continuing development of the Group, the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) which such Participant has brought to or is likely to be able to bring to the Group's business, development and success and whether granting Options to such Participant is an appropriate incentive to motivate such Participant to continue to contribute towards the betterment of the Group.



- 5.2.1 In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others:
- (A) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
  - (B) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (C) his/her contribution made or expected to be made to the growth of the Group;
  - (D) his/her length of engagement or employment with the Group; and
  - (E) his/her educational and professional qualifications, and knowledge in the industry.
- 5.3 Each Offer shall be made to the Participant in writing and shall:
- 5.3.1 state the date of issue of the Offer;
  - 5.3.2 state the name and identifiers (such as identification document type and number, address, and position (if applicable)) of the Participant;
  - 5.3.3 specify a date, being a date not later than 30 Business Days (or such other period as the Board may otherwise determine) after the later of (i) the date on which the Offer was issued, or (ii) the date on which the conditions (if any) for the Offer are satisfied, by which the Participant must accept the Offer or be deemed to have declined it;
  - 5.3.4 state the method for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price;
  - 5.3.5 state that the Option Price is not refundable (except in the case of paragraph 5.12) and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price;
  - 5.3.6 specify the maximum number of Shares to which the Offer relates;
  - 5.3.7 specify the Subscription Price;
  - 5.3.8 specify the earliest Vesting Date(s) (and subsequent Vesting Date(s), if any) upon which the Participant may exercise the Option granted to him/her to subscribe for Shares (or, as the case may be, tranches of Shares), and the Option Period (or, as the case may be, respective Option Periods for separate tranches of Shares) during which an Option may be exercised;
  - 5.3.9 specify the performance target(s) (if any) that must be attained by the Participant before any Option can be exercised;
  - 5.3.10 specify the Clawback (as defined in paragraph 5.16) mechanism, if any, for the Company to recover or withhold any Option granted to any Participants (if any)

in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Board;

- 5.3.11 specify any other terms and conditions of the Offer as may be imposed by the Board, the Remuneration Committee and/or the independent non-executive Directors, as the case may be, as are not inconsistent with the provisions of the Scheme and applicable laws and regulations (including the Listing Rules);
  - 5.3.12 require the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme; and
  - 5.3.13 subject to the above, be made in such form as the Board may from time to time prescribe.
- 5.4 For so long as the Shares are listed on the Stock Exchange:
- 5.4.1 an Offer must not be made after an inside information has occurred or an inside information has been the subject of a decision, until (and including) the trading day after such inside information has been duly published and announced. In particular, no Offer shall be made and no Options shall be granted during the period commencing 30 days immediately before the earlier of:
    - (A) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
    - (B) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),and ending on the date of the results announcement (and for the avoidance of doubt, no Offer shall be made and no Option shall be granted during any period of delay in publishing a results announcement); and
  - 5.4.2 no Offer shall be made and no Options shall be granted to any Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in the Shares pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.
- 5.5 Subject to paragraphs 5.6 and 5.7, the total number of Shares issued and to be issued in respect of all Options granted under the Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (excluding treasury shares) ("**Individual Limit**"). Where it is proposed that any

Offer be made to a Participant which would result in the Shares issued and to be issued in respect of all Options, share options and share awards granted and proposed to be granted to such Participant (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant proposed Offer Date exceeding the Individual Limit, such proposed further grant of Options shall be subject to and conditional upon the following conditions:

- 5.5.1 such proposed grant of Options having been separately approved by the Shareholders in general meeting of the Company with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting;
  - 5.5.2 where required by the Listing Rules, the Company having first sent a circular to Shareholders within such time as may be specified in the Listing Rules disclosing such information required under the Listing Rules (which may include, where required, the identity of the Participant, the number and terms of the Options to be granted (and Options, share options or share awards previously granted to such Participant in the aforesaid 12-month period), the purpose of granting the Options to the Participant, an explanation as to how the terms of the Options serve such purpose); and
  - 5.5.3 the number and terms of such Options to be granted to such Participant having been fixed before the date on which Shareholders' approval on such grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.
- 5.6 Without prejudice to paragraph 5.7, each grant of Option(s) to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options).
- 5.7 Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options granted under the Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the Scheme or such Other Scheme(s)) to such person in the 12-month period up to and including the relevant Offer Date representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares), such further grant of Options shall be subject to and conditional upon the following conditions:
- 5.7.1 where required under the Listing Rules, the Company having sent a circular to the Shareholders containing information set out in paragraph 5.8 within such time as may be specified in the Listing Rules; and
  - 5.7.2 where required under the Listing Rules, such grant of Options having been approved by the Shareholders in general meeting of the Company at which the

Grantee, his/her associates and all core connected persons shall abstain from voting in favour at such general meeting, and the Company having complied with Rules 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

- 5.8 The circular to be issued by the Company to the Shareholders pursuant to paragraph 5.7.1 must contain the following information:
- 5.8.1 details of the number and terms of the Options to be granted to each Participant (including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules), which must be fixed before the Shareholders' meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price;
  - 5.8.2 the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
  - 5.8.3 other information required under the Listing Rules (including, where applicable, Rule 17.02(2)(c) and Rule 2.17 of the Listing Rules).
- 5.9 Any change in the terms of Options granted to a Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules (as the case may be) if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).
- 5.10 The requirements for the grant of Options to a Director or chief executive of the Company set out in paragraphs 5.6 to 5.8 herein do not apply where the Participant is only a proposed Director or chief executive of the Company.
- 5.11 Any Offer may be accepted within such period and in such manner specified in the Offer in respect of all or less than the number of Shares in respect of which it is offered provided that such lesser number is clearly stated in the acceptance and if the Board deems fit, may impose condition in the Offer that it may be accepted only in respect of a board lot for dealing in Shares on the Stock Exchange or an integral number thereof, in each case the acceptance must be accompanied by payment in favour of the Company of the Option Price (i.e. the amount of HK\$1.00 payable upon acceptance of each grant of Option(s)) as consideration for the Offer which shall be paid to the Company within the time stated in the Offer which shall be determined by the Board from time to time. To the extent that an Offer is not accepted (whether in respect of all or less than the number of Shares in respect of which it is offered) within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined, and hence lapse, in its entirety or to the extent not accepted (as the case may be). The Option Price is not refundable in all circumstances except in the case of paragraph 5.12, and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price.

- 5.12 In the cases referred to in paragraphs 5.5 to 5.6, where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Option Price paid by a Grantee relating to such Option shall be refunded (without interest) by the Company.
- 5.13 A Grantee shall ensure and, by accepting an Offer, shall be deemed to have represented to and undertaken with the Company, that acceptance of an Offer, the vesting, holding and exercise of any Options granted to him/her and the holding of such Shares upon exercise of such Options are and will be valid and will comply with all applicable laws, rules and regulations that he is subject to. The Board may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require a Participant to produce such evidence as they may reasonably require for such purpose.
- 5.14 The Vesting Period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to Employee Participants may be subject to a shorter Vesting Period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:
- 5.14.1 grants of “make-whole” Options to a new Employee Participant to replace the share awards or share options that such Employee Participant forfeited when leaving his/her previous employer;
- 5.14.2 grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
- 5.14.3 grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- 5.14.4 grants of Options that are made in batches during a year for administrative and compliance reasons;
- 5.14.5 grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- 5.14.6 grants of Options with a total vesting and holding period of more than 12 months.
- 5.15 Unless otherwise determined by the Board or and specified in the Offer, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Grantee, PROVIDED THAT
- 5.15.1 In respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other Participant, the Board or such committee of the Board authorised by the Board for such purpose may, establish performance targets against the attainment of which the Options granted to the Participants concerned. The Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such

purpose) shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or such committee of the Board authorised by the Board for such purpose).

5.15.2 Proposed performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit of the Group, the effective use of fund by the Group and effectiveness of cost control management) as well as that for the Participants based on individual performance indicators relevant to their roles and responsibilities (such as fulfilment of duties and business opportunities brought by the Participants to the Group). The Board (or, as the case may be, the Remuneration Committee, such committee of the Board or such other person authorised by the Board for such purpose) will establish a scoring system which comprises a mixture of performance targets which vary among the Participants, which include performance targets for the business of the Group as a whole as well as individual targets specific to the Participants determined in accordance with the positions held by the Participants and the specific duties of the Participants, and will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met. In respect of performance targets for the business of the Group, the target levels to be achieved shall in general be comparable to the performance of enterprises in the industry in which the Group operates, whereas in respect of performance targets for individual Participants, the target levels to be achieved shall in general be proper and timely completion of tasks and discharge of duties assigned to the relevant Participants.

5.16 In circumstances where it, in the absolute opinion of the Board, may be regarded as inequitable for any Option to be vested on and/or (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option be held by any Participant, including but not limited to where there has been a material misstatement or omission in the financial reports of the Group or if the relevant Participant has committed any fraud or serious misconduct, such Option if any, and (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option shall be subject to Clawback. For the avoidance of doubt, notwithstanding anything else in these Scheme Rules, any Option and any Shares fall to be issued upon exercise of any Option may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time. For the purpose of the Scheme, "**Clawback**" means the Company's overriding right, authority and power to recover or withhold the Options (and underlying Shares) granted to any Participant in circumstances set out in this paragraph, which includes without limitation, (i) the return or repayment of all or a specified part of such Option or any Shares fall to be issued and allotted upon exercise of such Option by such Participant and/or (ii) the ceasing or variation of the Participant's entitlement to receive or be vested with all or a specified part of any such Option which has not yet been vested in the Participant or be issued

and allotted with any Shares fall to be issued and allotted upon exercise of any such Option which has not yet been exercised by the Participant.

## 6. SUBSCRIPTION PRICE

6.1 Subject to paragraph 6.2, the Subscription Price (subject to the adjustments in accordance with paragraph 10) shall be a price determined by the Board and notified to a Participant and shall be at least the higher of:

6.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;

6.1.2 the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and

6.1.3 the nominal value of a Share.

6.2 Where a relevant Option is to be granted under paragraphs 5.5, 5.7 or 9.4, for the purposes of paragraphs 6.1.1 and 6.1.2 the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions of paragraph 6.1 shall apply *mutatis mutandis*.

## 7. EXERCISE OF OPTION

7.1 (A) An Option shall be personal to the Grantee to whom it is made and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber, or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do, save for (i) exercise of Options by the Grantee's Personal Representative(s) or its nominee(s) pursuant to the provisions of the Scheme Rules; (ii) situation set out in subparagraph (B) below. The Personal Representative(s) and its nominee(s) shall comply with all provisions of these Scheme Rules, which shall apply *mutatis mutandis* to such Personal Representative(s) or its nominee(s). For the avoidance of doubt, where the Grantee is a corporate body, any change of its controlling shareholder or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid, unless the Board shall in its sole and absolute discretion determine otherwise.

(B) Where (i) the Board has expressly consented in writing (which consent may or may not be given by the Board at its absolute discretion), and (ii) the Stock Exchange has given an express waiver, the Grantee may be allowed to transfer such Option(s) granted to and held by him/her to a vehicle ("**Participant Vehicle**") (such as a trust or a private company) nominated by such Grantee for the benefit of the Grantee and any of his/her family members (e.g. for estate planning or tax planning purposes or such other purposes as the Board and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Scheme and comply with other requirements of the provisions under Chapter 17 of the Listing Rules. In connection with the application for the above consent from the Board and the above waiver from the Stock Exchange, the Grantee shall provide the Company with information on the beneficiaries or discretionary objects of such trust or the ultimate beneficial owners of such Participant

Vehicle, evidence of such trust arrangement between the Grantee and the proposed Participant Vehicle and such other information as may be required by the Board or the Stock Exchange, and the Grantee shall also consent to the disclosure of such information in any public disclosure of the Company (including announcement, circular, and/or report to be published by the Company). The Participant Vehicle shall comply with all provisions of the Scheme (including this paragraph 7.1), which shall apply *mutatis mutandis* to the Participant Vehicle.

(C) The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this paragraph 7.1, forthwith revoke any Option granted to such Grantee (to the extent not already exercised, whether vested or unvested) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damages against the Company, its officers and/or members of the Board (or any of the foregoing) for such revocation provided that the Company has acted in good faith.

7.2 Subject to the terms of the Scheme (including without limitation paragraph 7.3) and the terms and conditions set out in the Offer (including the attainment of any performance targets stated therein, if any), an Option may be exercised in whole or in part by the Grantee (or his/her Personal Representative(s)) during the Option Period by giving notice in writing to the Company (or to such entity or via such platform in such manner designated by the Board from time to time) stating that the Option is to be exercised and the number of Shares in respect of which it is exercised in such manner specified in the Offer, or by such other method as the Board may from time to time prescribe, provided that the Board may, if in its absolute discretion deems fit, require an Option be exercised only for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full. Such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within 30 Business Days (or, for circumstances set out in paragraph 7.3 or where the Shares fall to be issued and allotted upon such exercise will exceed the then authorised share capital of the Company, such other period as determined by the Board) after receipt of the notice and the remittance and (where appropriate) receipt of the Auditor's or the independent financial adviser's certificate under paragraph 10, the Company shall where appropriate allot and issue the relevant Shares to the Grantee (or his/her Personal Representative(s) or his/her estate, as the case may be) credited as fully paid and, where appropriate, issue to the Grantee (or his/her Personal Representative(s) or his/her estate, as the case may be) a share certificate in respect of the Shares so allotted.

7.3 Subject to the terms of the Scheme and the terms and conditions set out in the Offer (including the attainment of any performance targets stated therein, if any), an Option may be exercised by the Grantee (or his/her Personal Representative(s)) at any time during the Option Period in the manner set out in paragraph 7.2 PROVIDED THAT:

7.3.1 subject to paragraphs 7.3.2, 7.3.7 and 8.1.3, where the Grantee (being an Employee Participant at the time of Offer) of an outstanding Option ceases to be an Employee Participant for any reason, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee may exercise the



Option up to his/her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his/her last day of employment with the Company or any subsidiary of the Company whether salary is paid in lieu of notice or not, provided that if any of the events referred to in paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 respectively;

7.3.2 where the Grantee of an outstanding Option dies or for Grantee (being Employee Participant at the Offer Date) otherwise ceases to be an Employee Participant by reason of physical or mental disability or incapacity or other event which, in the opinion of the Board, deprives him/her of his/her capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee) before exercising the Option in full or at all and none of the events which would be a ground for termination of his/her employment or appointment as specified in paragraph 8.1.3 has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Option (to the extent exercisable but not already exercised) may be exercised up to the entitlement of such Grantee at the date of his/her death, physical or mental disability or incapacity or such other event by the Grantee or his/her Personal Representative(s) within twelve months after the date of death, physical or mental disability or incapacity or such other event (or such other period as the Board may determine), such date shall be ascertained and determined by the Board upon receipt of documentary evidence provided by the Personal Representative(s) to the satisfaction of the Board, provided that (i) in respect of any Options that may have met the earliest Vesting Date as stated in the Offer but have not been vested because the performance targets stated in the Offer have not been satisfied, the Board may (but not obliged to) by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the Grantee or his/her Personal Representative(s) may exercise such Option in respect of such number of Shares and within such time as the Board may consider appropriate, subject to any conditions or limitation as they may impose; and (ii) if any of the events referred to in paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 respectively;

7.3.3 whereby if there is a change of control of the Company leading to a general offer (whether by way of a takeover offer, share buyback offer, or scheme of arrangement or otherwise in the like manner, but other than a privatisation offer as stated in paragraph 7.3.4) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his/her Personal Representative(s), as the case may

be) may by notice in writing to the Company within 14 days after (i) in case of a scheme of arrangement, such scheme becoming effective, or (ii) in any other cases, such offer (or the revised offer) becoming or being declared unconditional (or such other period as the Board may in its sole and absolute discretion determine provided that such other period shall not exceed the expiry of the original Option Period) exercise the Option to its full extent or to the extent specified in such notice, notwithstanding that the Option Period in respect of the relevant Option may not have commenced, and for the purpose of this paragraph 7.3.3, “**control**” shall have the meaning as specified in the Takeovers Code from time to time;

7.3.4 if an offer to acquire and/or cancel the Shares arising from a privatisation proposal of the Company, whether by way of take-over offer, share buy-back offer, or scheme of arrangement or otherwise and whether or not involving a change of control of the Company, is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by such offeror and/or any person acting in association or concert with such offeror) and (i) in case of a scheme of arrangement, if the arrangement is formally proposed to the holders of the Shares prior to the expiry of the Option, or (ii) in any other cases, if such offer becomes or is declared unconditional prior to the expiry of the Option, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee (or his/her Personal Representatives) may thereafter (but before such time as shall be notified by the Company in writing not exceeding the expiry of the original Option Period) and in any case, before (i) in case of a scheme of arrangement, the latest time for lodging transfer of Shares in order to qualify for entitlements under such scheme of arrangement, or (ii) in any other case, the close of such offer (or any revised offer) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice notwithstanding that the Option Period may not have commenced at that time and for the purpose of this paragraph 7.3.4, “**control**” shall have the meaning as specified in the Takeovers Code from time to time;

7.3.5 in the event a compromise or arrangement between the Company on the one hand and its members and/or creditors on the other hand is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company summoning a meeting to consider such a compromise or arrangement give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his/her Personal Representative(s)) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the said proposed meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, and the Company may require any Grantee (or his/her Personal Representative(s)) to transfer or deal with the Shares issued as a result of the exercise of Options in this circumstances so as to place the Grantee (or his/her Personal

Representative(s)) in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement;

- 7.3.6 in the event a notice is given by the Company to its members 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 date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, unless the Board shall in its sole and absolute discretion determine otherwise, each Grantee (or his/her Personal Representative(s)) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than 4 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company whereupon the Company shall as soon as practicable as the circumstances allow and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;
- 7.3.7 where the Grantee (being an Employee Participant at the date of Offer) of an outstanding Option ceases to be an Employee Participant by reason of retirement in accordance with the terms of his/her contract of employment or appointment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his/her employment or appointment as specified in paragraph 8.1.3 has arisen, then unless the Board shall in its sole and absolute discretion determine otherwise, the Grantee shall be entitled within a period of 12 months from the date of retirement (or such other period as the Board may determine) to exercise the Option up to the Grantee's entitlement (to the extent exercisable but not already exercised) provided that if any of the events referred to in paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 occurs during such period, such outstanding Option may only be exercisable in such manner and within such period pursuant to paragraphs 7.3.3, 7.3.4, 7.3.5 or 7.3.6 respectively; and
- 7.3.8 as regards a Participant Vehicle,
- (A) the provisions of paragraph 7.3 and paragraph 8.1 shall apply to such Participant Vehicle and to all Options held by such Participant Vehicle, *mutatis mutandis*, as if such Options were still held by the individual Grantee from whom such Option(s) has/have transferred to the Participant Vehicle pursuant to paragraph 7.1(B), and such Options shall accordingly lapse or fall to be exercisable upon expiry of such periods specified in paragraphs 7.3 following occurrence of the event(s) referred to in paragraph 7.3 with respect to the relevant Grantee; and
  - (B) all the Options held by the Participant Vehicle shall lapse and determine on the date the Participant Vehicle ceases to be wholly-owned by the relevant individual Grantee and any of his/her family members, or where the Participant Vehicle is a trust of which the relevant individual Grantee or any of his/her family members is a beneficiary or discretionary object, on the date the relevant individual Grantee or his/her family member ceases to be a beneficiary or discretionary object (unless the Board shall in its sole and absolute discretion determine otherwise).

7.4 For the purpose of paragraph 7,

7.4.1 unless the context otherwise specifies or requires, any references to exercising an Option shall refer to exercising that Option to the extent exercisable but not already exercised;

7.4.2 upon occurrence of any of the events referred to in paragraph 7.3, subject to compliance with the applicable laws, rules and regulations (including the Listing Rules), the Board shall have the sole and absolute discretion to make any decision regarding the exercise of Option provided that the terms of the Option as may be varied by such decision shall not impose more stringent conditions, or be otherwise less favourable to the Grantee, than the original terms of the Option, notwithstanding the terms of the relevant Offer in respect of an Option, including but not limited to:

- (A) the period within which such Option may be exercised provided that such period shall not exceed the expiry of the original Option Period;
- (B) whether performance targets (if any) must have been satisfied and met before a Grantee is entitled to exercise such Option;
- (C) the extent to which such Option may be exercised, whether to its full extent or in part and whether only to the extent vested or notwithstanding such Option may not have vested, provided that the extent shall not be less than the extent to which it could be exercised in accordance with its terms;
- (D) the manner in which an Option may be exercised;
- (E) whether any performance targets and other performance conditions imposed by the Board must be satisfied as a pre-condition to the exercise of such Option;
- (F) any condition(s) or limitation(s) which is/are to be imposed on the exercise of Option;
- (G) in case an Option may only be exercised in part (whether according to the provisions hereof or the determination by the Board), whether the balance of the Option shall lapse or continue to be exercisable in accordance with the terms of Offer or such other terms as the Board may consider appropriate; and
- (H) the documentary evidence which is required to be provided by the Grantee and/or the Personal Representative(s) to support the Grantee's physical or mental disability or incapacity or other event which deprives him/her of his/her capacity to act and/or the authority and capacity of the Personal Representative(s) to act on behalf of the Grantee; and

7.4.3 exercise of any Option upon occurrence of any of the events referred to in paragraph 7.3 shall be in the manner set out in paragraph 7.2 (including serving of exercise notice in writing and payment of Subscription Price) so far as the

same are applicable thereto and not otherwise replaced by such arrangement specified under paragraphs 7.3.1 to 7.3.8 or determined by the Board.

- 7.5 Any Share to be allotted and issued upon exercise of an Option shall not carry voting rights, right of transfer, or right to participate in any dividends or distributions (including those arising on a liquidation of the Company) until the registration of the Grantee (or his/her Personal Representative(s) or Participant Vehicle, as the case may be) as the holder thereof in the register of members of the Company. The Shares to be allotted upon the exercise of an Option shall be subject to the Company's memorandum of association and Bye-laws and any applicable laws, rules and regulations (including the Listing Rules) for the time being in force and shall rank *pari passu* in all respects (whether in terms of voting rights, dividend rights, transfer rights and other rights including those arising on a liquidation of the Company) with the fully-paid Shares in issue as at the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

## **8. LAPSE OF OPTION**

- 8.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:
- 8.1.1 the expiry of the Option Period (subject to any alteration pursuant to the provisions of these Scheme Rules subject to compliance with applicable laws, rules and regulations including the Listing Rules);
  - 8.1.2 the expiry of any of the periods referred to in paragraph 7.3 (except as otherwise determined by the Board as provided in paragraph 7.4.2);
  - 8.1.3 the date on which the Grantee (being an Employee Participant as at the date of Offer) ceases to be an Employee Participant by reason of the termination of his/her employment or other contract on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws, rules and regulations or under the Grantee's service contract with the Company or the relevant subsidiary of the Company, and for the purpose of this paragraph, a resolution of the Board to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8.1.3 shall be conclusive and binding on all persons who may be affected thereby;
  - 8.1.4 the expiry of any period determined by the Board pursuant to paragraph 7.4.2;

- 8.1.5 the date on which the Grantee commits a breach of paragraph 7.1;
  - 8.1.6 the non-fulfilment of or failure to comply with any conditions specified by the Board as referred to in paragraph 5.1 above;
  - 8.1.7 the non-acceptance of the Offer on or before such latest time for acceptance as specified in the Offer or otherwise specified by the Board;
  - 8.1.8 the date when the Board resolves to exercise the right to Clawback pursuant to the Company's policy on Clawback, as amended from time to time; or
  - 8.1.9 the date on which the Option is cancelled according to the paragraph 14.
- 8.2 Neither the Company nor any of its officers or members of the Board shall owe any liability to any Grantee and any Personal Representative of a Grantee and any Participant Vehicle for the lapse of any Option under paragraph 8.1.
- 8.3 For the avoidance of doubt, for the purpose of paragraphs 7.3 and 8.1,
- 8.3.1 transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group shall not be considered cessation of employment; and
  - 8.3.2 any Grantee who is an Employee Participant is on such leave of absence with prior approval by the directors of the relevant member of the Group is not to be considered cessation of employment of the Grantee.

## **9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 9.1 Subject to refreshment pursuant to paragraph 9.3 and adjustment pursuant to paragraph 9.5, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the Scheme, and all share options and all share awards to be granted under any Other Schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date, unless the Company has obtained separate approval by Shareholders pursuant to paragraph 9.4.
- 9.2 For the purposes of calculating the Scheme Mandate Limit under paragraph 9.1, Shares which are the subject matter of any Options, any share options and share awards that have already lapsed in accordance with the respective terms of the Scheme and any Other Schemes shall not be regarded as utilised and hence shall not be counted.
- 9.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that:
- 9.3.1 The total number of Shares which may be issued in respect of all Options to be granted under the Scheme and all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% of the Shares in issue (excluding treasury shares) at the date of the Shareholders' approval of such New Scheme Mandate Limit. Shares which are subject matter of any

Options, any share options and share awards previously granted under the Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of this Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit. Where required by the Listing Rules, the Company must send a circular to its Shareholders within such time as may be specified in the Listing Rules disclosing the number of Options, share options and share awards that are already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

9.3.2 Any refreshment to the Scheme Mandate Limit within any three-year period must be approved by the Shareholders, subject to the following:

- (A) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (B) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

9.3.3 The requirements under paragraphs 9.3.2(A) and 9.3.2(B) 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 Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.

9.4 Without prejudice to paragraph 9.3, the Company may seek separate Shareholders' approval in general meeting to grant Options under the Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limits referred to in paragraph 9.3, provided that:

9.4.1 the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought;

9.4.2 the Company must send a circular to the Shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and

9.4.3 the number and terms of Options to be granted to such Participant must be fixed before the Shareholders' meeting on the grant is sought, and for this purpose,

the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price.

- 9.5 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) as a percentage of the total number of the issued Share at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

## **10. REORGANISATION OF CAPITAL STRUCTURE**

- 10.1 In the event of a capitalisation issue, bonus issue, rights issue, open offer, consolidation subdivision or reduction of the share capital of the Company or such other event(s) as may be specified in the Listing Rules or the Supplementary Guidance from time to time under which an adjustment to the exercise or purchase price and/or the number of shares subject to options or awards granted under a share scheme of a listed issuer is allowed whilst any Option has been granted and remains exercisable, corresponding adjustments (if any) may be made to the following:

10.1.1 the number or nominal amount of Shares subject to any Option so far as such Option remains unexercised; and/or

10.1.2 the Subscription Price,

provided that:

- (A) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (B) any such adjustments must be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest integral whole Share, as that to which he was entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in paragraph 10.1;
- (C) no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value;
- (D) any such adjustments, save as those made on a capitalisation issue, shall be confirmed by the Auditors or the independent financial adviser in writing to the Board as satisfying the requirements of sub-paragraphs (B) and (C) above and the requirements of the relevant provisions of the Listing Rules; and
- (E) any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate



Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately prior to the occurrence of such event of alteration in the capital structure of the Company.

10.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 10.1 and the Board has determined that adjustments be made according to paragraph 10.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 7.2, 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 the independent financial adviser (as the case may be) 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 (as the case may be) to issue a certificate in that regard as soon as practicable in accordance with paragraph 10.1.

10.3 For the purposes of this paragraph 10,

10.3.1 “**Supplementary Guidance**” means the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No.072-2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time); and

10.3.2 the Auditors or the independent financial adviser shall act as experts and not as arbitrators and their certification shall in the absence of manifest error be final and binding on the Company, the Grantees and any persons who may be affected thereby, and their costs shall be borne by the Company.

## 11. **SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

## 12. **DISPUTES**

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser who shall act as experts and not as arbitrators and whose decision in the absence of manifest error shall be final and binding.

## 13. **ALTERATION OF THE SCHEME AND TO THE OPTIONS**

13.1 The Scheme may be altered in any respect by the Board except that:

- 13.1.1 any alterations to the terms and conditions of the Scheme which are of a material nature including the provisions of the Scheme as to the definitions of “Participant”, “Employee Participant” and “Grantee” in paragraph 1.1 must be approved by the Shareholders in general meeting;
  - 13.1.2 any alterations to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees must be approved by the Shareholders in general meeting;
  - 13.1.3 any change to the authority of the Board or the administrators of the Scheme to alter the terms of the Scheme must be approved by the Shareholders in general meeting; and
  - 13.1.4 no such alterations shall operate to materially and adversely affect any subsisting rights of any Grantee under any Option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the Grantees (calculated on the basis of one vote per Share underlying the Option(s) held by such Grantees for the time being), as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares as if the Options constituted a separate class of share capital and as if the provisions under the Bye-laws for the time being of the Company applied *mutatis mutandis* thereto.
- 13.2 Notwithstanding any provisions contained in these Scheme Rules or any terms or conditions stated in the Offer but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Options granted to a Participant, provided that any such alteration to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Options requires such approval (except where the change takes effect automatically under the existing terms of the Scheme).
- 13.3 The Participant shall have no claim or recourse against the Company, the members of the Board, the members of the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (or any of the foregoing) in respect of any alteration made to the Options granted to such Participant in accordance with the Scheme and the Participant shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).
- 13.4 The amended terms of the Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

#### **14. CANCELLATION OF OPTIONS GRANTED**

- 14.1 The Board in its absolute discretion may cancel an Option granted but not exercised with the approval of the grantee of such Option.
- 14.2 Options may be granted to a Participant in place of his/her cancelled Options provided that there are available Scheme Mandate Limit approved by the Shareholders from time

to time. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

## **15. DURATION AND TERMINATION OF THE SCHEME**

- 15.1 The Scheme shall be effective from the Adoption Date and shall be valid and effective for the Scheme Period (i.e. the period commencing on the Adoption Date and expiring on the day immediately preceding the tenth anniversary of the Adoption Date (both days inclusive)) unless sooner terminated. The Scheme may be terminated at any time by the Board or by the Company by resolution in general meeting.
- 15.2 After the expiry or termination of the Scheme, no further Options shall be offered or granted under the Scheme, but in all other respects the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the Scheme prior thereto or otherwise as may be required in accordance with the provisions of the Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the Scheme and their terms of grant.

## **16. MISCELLANEOUS**

- 16.1 Notwithstanding any provision of any other paragraph of the Scheme:
- 16.1.1 The Scheme shall not form part of any contract of employment between the Company or any subsidiary of the Company on the one part and any Participant on the other part and the rights and obligations of any Participant under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason; and
- 16.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 16.2 In no circumstances shall a person ceasing to be a Participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his/her rights or benefits (actual or prospective) under any Options then held by him/her or otherwise in connection with the Scheme and by accepting an Option under the Scheme such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).
- 16.3 The Company shall bear the costs of establishing and administering the Scheme.
- 16.4 The Board shall have 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 all applicable laws, rules and regulations including the Listing Rules.

- 16.5 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders generally.
- 16.6 Any notice or other communication between the Company and a Grantee shall be addressed to the recipient and sent by personal delivery or by prepaid post or by fax to, in the case of the Company, its principal place of business in Hong Kong or as otherwise notified to the Grantee from time to time and, in the case of the Grantee, his/her residential address (who is an individual) or business address (for corporation) as notified to the Company from time to time.

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7th Floor, On Dak Industrial Building,  
2-6 Wah Sing Street,  
Kwai Chung, New Territories,  
Hong Kong  
Fax: (852) 2426 1668

- 16.7 Any notice or other communication between the Company and a Grantee shall be deemed to have been received:-
- 16.7.1 in the case of delivery by hand, when delivered;
- 16.7.2 in the case of post which is properly prepaid and addressed, on the second Business Day following the day of posting if the address of the recipient is in Hong Kong and on the fifth Business Day following the day of posting if the address of the recipient is outside Hong Kong; or
- 16.7.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received.
- 16.8 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and prepaid and was deposited in a post box or at the post office.
- 16.9 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction (or the country of incorporation of the Company) in order to permit the grant or exercise of an Option. 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/her participation in the Scheme.
- 16.10 Any Grantee (or his/her Personal Representative(s)) shall, before accepting an Offer or exercising any Option granted to him/her, obtain all necessary consents that may be required to enable him/her to accept the Offer or to exercise the Option and the Company to allot and issue to him/her in accordance with the provisions of the Scheme the Shares falling to be allotted and issued upon the exercise of Option granted to him/her. By accepting an Offer or exercising such Option granted to him/her, the Grantee thereof is deemed to have represented to and undertaken with the Company that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of any Options granted to him/her. A Grantee shall indemnify the Company on

a full indemnity basis 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.

- 16.11 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his/her participation in the Scheme, acceptance of or the exercise of any Option, acceptance of Share allotted and issued to him/her upon exercise of Options granted to him/her.

## **17. NO THIRD PARTY RIGHTS**

- 17.1 For the avoidance of doubt, no person other than the Company shall have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of these Scheme Rules.

## **18. GOVERNING LAW & JURISDICTION**

- 18.1 The Scheme shall operate subject to the Bye-Laws and applicable laws, rules and regulations including the Listing Rules to which the Company is subject.
- 18.2 The Scheme and all Options granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong. The parties shall submit to the exclusive jurisdiction of the courts of Hong Kong in relation to any claim or matter arising from and in connection with the Scheme.