

Wing Lee Development Construction Holdings Limited

榮利營造控股有限公司

(An Exempted Company Incorporated in the Cayman Islands with Limited Liability)

THE SHARE OPTION SCHEME

(Conditionally adopted on 20 September 2024

by the written resolutions of the sole shareholder of the Company)

Wing Lee Development Construction Holdings Limited
榮利營造控股有限公司
(Incorporated in the Cayman Islands with limited liability)

THE SHARE OPTION SCHEME

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“associate” has the meaning given to it under the Listing Rules and **“associates”** shall be construed accordingly;

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

“Award” means an Option granted under this Scheme by the Board to an Eligible Participant, which may vest in accordance with these rules and the terms of the Award;

“Board” means the board of Directors or a duly authorized committee thereof;

“Business Day” means any day on which the Stock Exchange is open for the business of dealing in securities;

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

“close associate” has the meaning given to it under the Listing Rules and “close associates” should be construed accordingly;

“Company” means Wing Lee Development Construction Holdings Limited 榮利營造控股有限公司, a limited liability company incorporated in the Cayman Islands;

“Company Law” means the Companies Law (as revised) of the Cayman Islands, as amended and every statutory modification or re-enactment thereof for the time being in effect;

“Controlling Shareholder(s)” has the meaning ascribed to it under the Listing Rules;

“Director(s)” means director(s) of the Company;

“Effective Date” means the Listing Date;

“Eligible Participant(s)” means Employee Participant(s), Related Entity Participant(s) and Service Provider Participant(s);

“Employee Participant(s)” means any employee or chief executive officer, executive or non-executive director (including independent non-executive directors) of our Company or any subsidiary of it and any person who has contracted to be employed (on a full-time or part-time basis) by our Company or any of its subsidiaries but whose employment has not commenced and any person to whom our Board wishes to offer Awards as an inducement to become an executive or director of our Company or any of our subsidiaries;

“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 7;

“Financial Adviser” means an independent financial adviser appointed by the Company;

“General Scheme Limit” means the maximum number of Shares issuable upon exercise of all options to be granted under this Scheme as described in Clause 10.1(a);

“Grantee” means any Eligible Participant who has accepted the Offer of the grant of any Option in accordance with the terms of this Scheme or, where the context so permits, any person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative(s) of such person;

“Group” means the Company and any entity in which the Company directly or indirectly holds any equity interest;

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong;

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

“Individual Limit” means the total number of Shares issued and to be issued upon exercise of options granted to each Eligible Participant set out in Clause 10.2;

“Listing Date” means the date on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange;

“Listing Rules” means the total number of Shares issued and to be issued upon exercise of Options granted to each Eligible Participant set out in Clause 10.2;

“Offer” means an offer of the grant of an Option made in accordance with Clause 6;

“Offer Date” means the date on which an Option is offered to an Eligible Participant;

“Option(s)” means option(s) to subscribe for Shares granted and accepted pursuant to this Scheme and for the time being subsisting and “Options” shall be construed accordingly;

“Option Period” means the period for the exercise of an Option to be notified by the Board to the Grantee at the time of making an Offer, but in any event shall not exceed 10 years from the Offer Date;

“Related Entity” means any of the holding companies, fellow subsidiaries or associated companies of the Company;

“Related Entity Participant(s)” means any director, chief executive or person employed (on a full-time or part-time basis) by any of the Related Entity;

“Scheme” means this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;

“Scheme Period” means the period commencing on the Effective Date and expiring at the close of business on the Business Day immediately preceding the tenth anniversary thereof, unless terminated earlier by the Shareholders in general meeting;

“Service Provider(s)” means person(s) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to any consultant, independent contractor or adviser where the continuity and frequency of their services are akin to those of employees of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity;

“Service Provider Sublimit” means the maximum number of Shares issued and to be issued upon exercise of Options granted to Service Providers within this Scheme set out in Clause 10.1(a);

“SFO” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;

“Share(s)” means the ordinary share(s) of HK\$0.01 each in the capital of the Company or, if there has been a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“Shareholders” means holders of the Shares from time to time;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued share capital of the Company is primarily listed;

“Subsidiary” means a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company;

“substantial shareholder” has the meaning ascribed to it under the Listing Rules; and

1.2 In this Scheme, unless the context otherwise requires:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references herein to Clauses are to clauses of this Scheme;
- (c) references to masculine gender include references to the feminine and neuter gender;
- (d) references to the singular include references to the plural and vice versa;
- (e) any reference to a time of a day in this Scheme is a reference to Hong Kong time; and
- (f) a reference to a “person” shall be construed so as to include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal entity.

2. CONDITIONS OF THIS SCHEME

2.1 This Scheme is conditional upon:

- (a) the passing of the necessary resolution to adopt this Scheme by the Shareholders in general meeting or by way of written resolutions and to authorize the Directors to grant Options at their absolute discretion thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under this Scheme;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued pursuant to the exercise of any Options under this Scheme; and
- (c) the commencement of dealings in the Shares on the Stock Exchange.

2.2 If any of the above conditions are not satisfied within 12 calendar months from the date of approval of this Scheme by the Shareholders, this Scheme shall forthwith determine and no person shall be entitled to any right or benefit or be under any obligation under or in respect of this Scheme.

2.3 A certificate of a Director that the conditions as set out in Clause 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date shall be conclusive evidence of the matters so certified.

3. PURPOSES OF THIS SCHEME

The purpose of this Scheme is to: (a) provide our Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (as defined below); (b) align the interests of Eligible Participants with those of our Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in our Company and become Shareholders; and (c) encourage Eligible Participants to contribute to the long-term growth, performance and profits of our Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole.

4. DETERMINATION OF ELIGIBILITY

- 4.1 The Board may at any time within this Scheme Period, at its absolute discretion, in accordance with the provisions of this Scheme and the Listing Rules make an offer to an Eligible Participant of this Scheme and to take up an Option to subscribe for Shares. For the purposes of this Scheme, the offer for the grant of option may be made to any company wholly owned by one or more Eligible Participants (if applicable).

For the avoidance of doubt, placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, professional service providers, such as auditors or valuers who provide assurance, or are required to perform their services with impartially and objectivity shall be excluded. The grant of any option by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the aforesaid agents or advisers shall not, by itself; unless the Directors otherwise determine, be construed as a grant of option under this Scheme.

- 4.2 The basis of eligibility of any Eligible Participant to the grant of any Option shall be determined by the Board (or as the case may be, where required under the Listing Rules, approved by the independent non-executive directors) from time to time on the basis of the Directors' opinion as to the Eligible Participant's contribution or potential contribution to the development and growth of the Group.

5. DURATION AND ADMINISTRATION

- 5.1 Subject to Clauses 2 and 15, this Scheme shall be valid and effective for a period of ten years commencing on the Effective Date and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof, unless terminated earlier by the Shareholders in general meeting, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant within the Option Period.
- 5.2 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein and in the absence of manifest error) shall be final and binding on all parties.

6. GRANT OF OPTION

- 6.1 On and subject to the terms of this Scheme, the Board shall be entitled at any time and from time to time within ten years after the Effective Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, which may include a condition that the Grantee shall not dispose of the Shares issued upon exercise of the Option within such period of time or under such conditions as the Board may at its absolute discretion determine, minimum period for which an Option must be held and performance targets that must be achieved before an Option can be exercised, to subscribe during the Option Period for such number of Shares (being, subject to Clause 14, a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may determine at the Exercise Price provided always that an Offer made to such Eligible Participant will not constitute an invitation to the public to subscribe for the Shares under any applicable legislations. Save as determined by the Board and stated in the Offer, there is no performance target which must be achieved before any of the Options can be exercised.
- 6.2 An Offer shall be made to an Eligible Participant on a Business Day in writing in such form as the Board may from time to time determine, requiring the Eligible 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 this Scheme and shall remain open for acceptance by the Eligible Participant concerned for a period of ten Business Days from the Offer Date (inclusive of the Offer Date) provided that no such offer shall be open for acceptance after the expiry of this Scheme (subject to early termination thereof).
- 6.3 An Offer shall be deemed to have been accepted and an Option to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within ten Business Days from the Offer Date (inclusive of the Offer Date). Such remittance shall in no circumstances be refundable.
- 6.4 Any Offer must be accepted in its entirety and can under no circumstances be accepted of less than the number of Shares for which it is offered. To the extent that the Offer of the grant of an Option is not accepted within ten Business Days in the manner indicated in Clause 6.3, it will be deemed to have been irrevocably rejected by the Eligible Participant and the Offer shall lapse and become null and void.
- 6.5 No Offer may be made after any inside information (as defined in the SFO) has come to the knowledge of the Company until (and including) the trading day after such inside information has been announced in accordance with the requirements of the Listing Rules and the SFO. No Option may be granted during the period commencing one month immediately preceding the earlier of :-
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under 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

- (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.

- 6.6 Further to the restrictions in Clause 6.5 above, no Option may be granted to a Director on any day on which financial results of the Company are published and during the period of one month prior to the earlier of our Board approving any annual, half-year or quarterly results, or the deadline for our Company announcing such results under the Listing Rules.
- 6.7 For the avoidance of doubt, there is no clawback mechanism under this Scheme and there is no clawback mechanism attached to the Options.

7. EXERCISE PRICE

The Exercise Price shall be a price determined solely by the Board and notified to an Eligible Participant and shall be at least the higher of : (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (2) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant, provided that the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

Notwithstanding the above, the exercise price per Share may be adjusted or amended in the absolute discretion of our Board to the extent permitted by the applicable laws (including the Listing Rules), the determination of which shall be final, binding and conclusive.

8. EXERCISE OF OPTIONS

- 8.1 Any Awards granted shall be personal to the Grantee, and no right or interest of an Grantee in any Option may be pledged, encumbered, or hypothecated to or in favour of any party other than our Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Grantee to any other party other than our Company or a Subsidiary. Except as otherwise provided by our Board, no Option shall be assigned, transferred, or otherwise disposed of by a Grantee. Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised. Notwithstanding the aforesaid, the Stock Exchange may consider granting a waiver to allow a transfer of a vehicle (such as a trust or a private company) for the benefit of an Eligible Participant and any family members of such Eligible Participant (for instance, for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of Chapter 17 of the Listing Rules. Where such waiver is granted, the Stock Exchange shall require our Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

- 8.2 An Option may be exercised in whole or in part in the manner as set out in Clauses 8.3, 8.4 and 8.5 by the Grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised (which, 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, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 30 Business Days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' certificate or the confirmation of the Financial Adviser (as the case may be) pursuant to Clause 11, the Company shall issue and allot the relevant Shares, fully paid, to the Grantee.
- 8.3 Subject as hereinafter provided in this Scheme, an Option may be exercised by the Grantee at any time during the Option Period provided that:-
- (a) in the event that the Grantee (being an individual) dies before exercising the Option in full, his/her legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) in whole or in part in accordance with this Scheme within the period of 12 months following his/her death provided that where any of the events set out in Clauses 8.3(d), (e) and (f) occurs prior to his/her death or within such 12-month period following his/her death, then his/her legal personal representative(s) may so exercise the Option within such of the various periods respectively set out in such clauses instead of the period referred to in this Clause 8.3(a) and provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts as specified in Clause 9(d) which would have entitled the Company to terminate his/her employment prior to his/her death, the Board may at any time forthwith terminate the Option of the Grantee (to the extent not already lapsed or exercised) by written notice to his/her legal personal representatives and the Option (to the extent not already exercised) shall lapse on the date of the relevant Board resolution;
 - (b) in the event that the Grantee is an Employee Participant when an Offer is made to him/her and he/she subsequently ceases to be an Employee Participant of the Group for any reason other than (i) his/her death or (ii) the termination of his/her employment on one or more of the grounds specified in Clause 9(d), the Option (to the extent not already lapsed or exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day on which the Grantee was physically at work with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not);

- (c) in the event that the Grantee is an Employee Participant of the Group when an Offer is made to him/her and he/she subsequently ceases to be an employee by reason of a termination of his/her employment on one or more of the grounds specified in Clause 9(d) and the Grantee has exercised the Option in whole or in part pursuant to Clause 8.2, but Shares have not been allotted to him/her, the Grantee shall, unless the Board determines otherwise, be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option;
- (d) if in respect of the Grantee other than an Employee Participant, the Directors shall at their absolute discretion determine that (i) (1) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any Related Entity on the other part; or (2) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, or (3) the Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever; and (ii) the Option granted to the Grantee under this Scheme shall lapse as a result of any event specified in sub-paragraphs (1), (2) or (3) above, his Option will lapse automatically on the date on which the Directors have so determined;
- (e) in the event of a general or partial offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) the Company shall use its best endeavours to procure that an appropriate offer is extended to all the Grantee (on comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, as Shareholders). If such offer becomes or is declared unconditional, the Grantee (or, as the case may be, his/her legal personal representative(s)) shall, notwithstanding any terms on which his/her Options were granted, be entitled to exercise the Option in full (to the extent not already lapsed or exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his option in accordance with this Scheme at any time thereafter and up to the date of the close of such offer (or revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed;
- (f) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Law, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Options (to the extent not already lapsed or exercised) shall become exercisable in whole or in part not later than 2 Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the **"Suspension Date"**), by giving notice in writing to the Company in accordance with Clause 8.2, accompanied by a remittance for the full amount of the aggregate Exercise Price for

the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapsed and determined. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this Clause 8.3, 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), the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this 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 as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers; and

- (g) 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, each Grantee shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than 2 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with Clause 8.2, accompanied by a remittance for the full amount of the aggregate Exercise Price of 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, allot the relevant Shares to the Grantee credited as fully paid.

- 8.4 The vesting period for options shall not be less than 12 months. Options granted to Employee Participants may be subject to a shorter vesting period under specific circumstances as the Board may determine and notified to each Employee Participant. Any such specific circumstances and an explanation by the Company's Board (or the remuneration committee where the arrangements relate to grant of options to the Directors and/or senior managers) as to why the arrangements are appropriate and how the grants align with the purpose of this Scheme must be clearly disclosed in the circular for the adoption of this Scheme. In any event, the vesting period shall commence from the date of the offer for the grant of options is made, but shall end in any event not later than ten (10) years from the date of offer for the grant of the option subject to the provisions of early termination thereof.

- 8.5 The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Memorandum and Articles of Association of the Company for the time being in force and will rank pari passu in all respects with the then fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made after the Exercise Date 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 before the Exercise Date, save that the Shares allotted upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

9. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in Clause 8.3;
- (c) following the Grantee’s death or permanent incapacity, bankruptcy, or where the Grantee ceases to be an Eligible Participant or terminates their employment or contractual engagement with our Group for reasons other than as already provided for in this Scheme, or where the Grantee’s employment or contractual engagement has been suspended, or the Grantee’s position in or with respect to our Group has been vacated, for more than six months;
- (d) upon the Grantee being convicted of any criminal offence involving his or her integrity or honesty, or charged, convicted or held liable for any offence under the relevant securities laws, regulations or rules in force from time to time in Hong Kong or elsewhere;
- (e) the Award has not been accepted by the Grantee within the acceptance period;
- (f) forfeiture of the Award by the Grantee;
- (g) the Grantee transfers the Award in breach of the transferability provisions specified in the plan; or
- (h) the date of the commencement of the winding-up of the Company.

10. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 10.1 (a) Subject to Clauses 10.1(b) and (c), the maximum number of Shares issuable upon exercise of all options to be granted under this Scheme and any other share option schemes of the Company as from the Effective Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of this Scheme or any other share option schemes of the Company) must not in aggregate exceed the General Scheme Limit (i.e. 10% of all the Shares in issue as of the Listing Date). The Service Provider Sublimit (i.e. the maximum number of shares that may be issued in respect of all Options to be granted to Service Providers within the General Scheme Limit) shall not exceed 1.0% of the Shares in issue as at the Listing Date.
- (b) Without prejudice to Clause 10.1(c), the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit, or if applicable, the Service Provider Sublimit after three (3) years from the date of Shareholders' approval for the last refreshment (or the Effective Date of this Scheme). Any refreshment within any three (3) years period must be approved by the Shareholders subject to:
- (i) 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
 - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules;
- provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under this Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit mandate. The Company must send a circular to the Shareholders containing the numbers of Options that were already granted under the existing General Scheme Limit and the existing Service Provider Limit, and the reason for the refreshment.
- (c) Without prejudice to Clause 10.1(b) above, the Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the General Scheme Limit under Clause 10.1(a) and the refreshed limit under Clause 10.1(b) provided the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing the name of each specified Eligible Participants who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to them with an explanation of how the terms of the Options will serve such purpose. The number and terms of the Options to be granted to such Eligible Participants must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

- 10.2 The total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) under this Scheme or any other share option schemes of the Company in any 12-month period up to date of grant must not exceed the Individual Limit (i.e. 1% of the Shares in issue of the Company for the time being). Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over the Individual Limit, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or his associates if the Eligible Participant is a connected person as defined in the Listing Rules) abstaining from voting, and the number and terms (including the Exercise Price) of Options to be granted to such Participant must be fixed before the Shareholders' approval. In such event, the Company must send a circular to the Shareholders containing the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose and all other information required under the Listing Rules. The date of meeting of the Board proposing such further grant should be taken as the Offer Date for the purpose of calculating the Exercise Price,
- 10.3 The maximum number of Shares referred to in Clauses 10.1 and 10.2 will be adjusted, in such manner as the Auditors shall certify in writing or the Financial Adviser shall confirm in writing (as the case may be) to the Board to be fair and reasonable in accordance with Clause 11 (no such certification or confirmation is required in case of adjustment made on a capitalisation issue), in the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company.
- 10.4 Notwithstanding the aforesaid:
- (a) each offer for the grant of Options under this Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective close associates must be approved by independent non-executive Directors (excluding independent non-executive Director who and whose associates is the proposed Grantee);
 - (b) where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective close associates) would result in the total number of Shares issued and to be issued in respect of all Options granted (excluding any Options lapsed in accordance with the terms of this Scheme) under this Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by the Shareholders at a general meeting of the Company in the manner set out in Rule 17.04(4) of the Listing Rules.

In the circumstances described in (2) above, the Company must send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. The Grantee, his associates and all core connected persons (as defined in the Listing Rules) 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;

- (c) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Exercise Price;
- (d) the views of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the 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 the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (e) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (f) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of an Option granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules, if the initial grant of the Options requires such approval (except the changes take effect automatically under the existing terms of this Scheme).

Notwithstanding the aforesaid, the requirements for the grant to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

11. REORGANISATION OF CAPITAL STRUCTURE

11.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which any member of the Group is party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Exercise Prices of any unexercised Option,

as the Auditors shall certify in writing or the Financial Adviser shall confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules (or any guideline or supplementary guidance as may be issued by the Stock Exchange from time to time) (no such certification or confirmation is required in case of adjustment made on a capitalisation issue), provided that any such alteration shall give a Grantee as near as possible the same proportion of the issued share capital of the Company as (but in any event shall not be greater than) that to which he/she/it was previously entitled and any such adjustments 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 (but shall not be greater than, except upon any consolidation of the Shares pursuant to this Clause 11) it was before such event, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

The capacity of the Auditors or the Financial Adviser (as the case may be) in this Clause 11 is that of experts and not of arbitrators and their certification or confirmation shall, in the absence of manifest error, be final, conclusive and binding on the Company and the Grantees. The costs of the Auditors or the Financial Adviser (as the case may be) shall be borne by the Company.

Upon any adjustment pursuant to Clause 11.1, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, and if the Company has not yet informed the Grantees of any necessary adjustments to be made to their Options in accordance with the certificate of the Auditors or the confirmation of the Financial Adviser (as the case may be), the Company shall, upon receipt of a notice from a Grantee in accordance with Clause 8.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid certificate or confirmation obtained by the Company for such purpose or, if no such certificate or confirmation has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the Financial Adviser as soon as practicable thereafter to issue a certificate or provide a written confirmation in that regard in accordance with Clause 11.1.

12. SHARE CAPITAL

- 12.1 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 thereto the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- 12.2 The Options do not carry any right to vote in general meeting of the Company, or any right to dividend, or any other rights whether or not arising on the liquidation of the Company.

13. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors or the Financial Adviser (as the case may be) who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

14. ALTERATION OF THIS SCHEME

14.1 At any time and from time to time, our Board may terminate, amend or modify this Scheme; provided, however, that:-

- (a) to the extent necessary and desirable to comply with applicable laws, or stock exchange rules, our Company shall obtain shareholder approval of any amendment of the Share Incentive Scheme in such a manner and to such a degree as required, and
- (b) shareholder approval is required for any amendment to this Scheme that:-
 - (i) increases the number of Shares available under this Scheme (other than any adjustment as provided under this Scheme) to the extent permitted under the applicable laws;
 - (ii) permits our Board to extend the term of this Scheme or the exercise period for an Option beyond ten years from the date of grant to the extent permitted under the applicable laws;
 - (iii) results in a material increase in benefits or a change in eligibility requirements;
 - (iv) is of material nature to the advantage of the Eligible Participants; or
 - (v) changes the authority of our Board to alter the terms of this Scheme.

14.2 Any alterations to the terms and conditions of this Scheme, which are of a material nature, or any change to the provisions relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of this Scheme. Any change to the terms of the option granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders of the Company (as the case may be). The requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.

14.3 Notwithstanding anything to the contrary contained in Clauses 14.1 and 14.2, the Board may at any time alter or modify this Scheme in any way to the extent necessary to cause this Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. The amended terms of this Scheme or the options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators to alter the terms of this Scheme must be approved by the Shareholders of the Company in general meeting.

14.4 Written notice of any amendment to this Scheme shall be given to all Eligible Participants with subsisting Awards.

15. TERMINATION

15.1 This Scheme shall terminate on the earlier of:

- (a) the tenth anniversary of the Effective Date;
- (b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of an amalgamation, reconstruction or a scheme of arrangement); and
- (c) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Eligible Participant under this Scheme.

15.2 Upon termination of this Scheme as aforesaid, no further Options shall be offered but the provisions of this Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant Option Period, subject to and in accordance with this Scheme.

16. CANCELLATION

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under this Scheme with available unissued Options (excluding the cancelled Options) and in compliance with the terms of this Scheme, in particular within the General Scheme Limit, the Service Provider Limit and the limit approved by the Shareholders. The Options cancelled will be regarded as utilised for the purpose of calculating the General Scheme Limit and the Service Provider Limit.

17. MISCELLANEOUS

17.1 This Scheme shall not constitute, affect or form part of any contract of employment or appointment between the Company or any member of the Group and any Eligible Participant nor confer upon such person any right to employment or continued employment with the Company or any member of the Group and the rights and obligations of any Eligible Participant under the terms of his or her office or employment or appointment shall not be affected by his/her participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or appointment for any reason.

17.2 This 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.

17.3 No person shall, under any circumstances, hold the Board and/or the Company and/or other Eligible Participants liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.

- 17.4 Save for liabilities referred to in Clause 17.7, the Company shall bear the costs of establishing and administering this Scheme.
- 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, its principal place of business in Hong Kong or as notified to the Grantees from time to time and, in the case of the Grantee, his/her/its address in Hong Kong 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 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 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. The obtaining of such consents shall be a condition precedent to an acceptance of an Offer and an exercise of his/her/its Option by a Grantee. By accepting an Offer or exercising his/her/its Option, the Grantee is deemed to have represented to the Company that he/she/it has duly fulfilled such condition. 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/its participation in this Scheme the grant of an Option to him/her/it and/or the exercise of the Option by him/her/it.
- 17.8 The Company shall maintain all necessary books of account and records relating to this Scheme.
- 17.9 This Scheme shall in all respects be administered by the Board which (a) shall administer this Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the Listing Rules for the conduct of this Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.

18. GOVERNING LAW AND JURISDICTION

- 18.1 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 18.2 The parties shall submit to the exclusive jurisdiction of the courts of Hong Kong in relation to any claim or matter arising under this Scheme.