

**QINIU LIMITED**

七牛智能科技有限公司

(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands  
with limited liability)

---

**SHARE OPTION SCHEME**

**Adopted by the shareholders  
of the Company on September 25, 2024**

---

## **CONTENT**

<b><u>Clause</u></b>	<b><u>Heading</u></b>	<b><u>Page</u></b>
1.	DEFINITIONS .....	1
2.	CONDITIONS .....	5
3.	PURPOSE, DURATION AND ADMINISTRATION.....	5
4.	GRANT OF OPTIONS .....	6
5.	SUBSCRIPTION PRICE .....	8
6.	EXERCISE OF OPTIONS .....	8
7.	LAPSE OF OPTION .....	12
8.	MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION .....	13
9.	EFFECTS OF ALTERATIONS OF CAPITAL STRUCTURE.....	15
10.	SHARE CAPITAL.....	16
11.	DISPUTES .....	16
12.	ALTERATION OF THIS SCHEME .....	16
13.	TERMINATION.....	17
14.	CANCELLATION OF OPTIONS.....	17
15.	GENERAL.....	17
16.	GOVERNING LAW .....	18

**QINIU LIMITED**  
**七牛智能科技有限公司**

**RULES OF THE SHARE OPTION SCHEME**

**1. DEFINITIONS**

1.01 In this Scheme the following expressions have the meanings set out below:

<b>“Adoption Date”</b>	means September 25, 2024, the date on which this Scheme is conditionally adopted by the Company at a general meeting of the Shareholders;
<b>“associate”</b>	has the meaning ascribed thereto in Rule 1.01 of the Listing Rules;
<b>“Auditors”</b>	means the auditors for the time being of the Company;
<b>“Board”</b>	means the board of Directors or a duly authorised committee thereof;
<b>“Business Day”</b>	means a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black” rainstorm warning “signal” is hoisted or extreme conditions caused by a super typhoon as announced by the government of Hong Kong in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business;
<b>“Company”</b>	means Qiniu Limited (七牛智能科技有限公司), a company incorporated in British Virgin Islands and migrated to the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Exchange;
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“control”</b>	means in relation to a company, the power of a person, directly or indirectly, to secure:- <ul style="list-style-type: none"><li>(i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of that company, or</li><li>(ii) by means of controlling the composition of a majority of the board of directors of that company, or</li></ul>

- (iii) by virtue of any powers conferred by the constitutional document of that company or any other corporation, or
- (iv) by reason of any of the aforesaid relationship with another company which itself has the same power over that company (or with a series of companies each of which has the same power over another company in the series and the last one of which has the same power over that company),

that the affairs of that company are conducted in accordance with the wishes of such person;

**“Directors”**

means the directors of the Company and **“Director”** shall be construed accordingly;

**“Eligible Participant”**

means the Directors (which expression shall, for the purpose of this definition, include a duly authorized committee thereof) may, at their discretion, invite any person belonging to any of the following classes of participants, who the Board considers, its sole discretion, have contributed or will contribute to the Group:

- (a) any directors (including executive Directors, non-executive director and independent non-executive directors) and any employee of the Company, or any of its Subsidiaries;
- (b) any persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group and exclude (for the avoidance of doubt) (A) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, (B) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity (**“Service Providers”**), who fall under the following category or categories or who may meet with the eligibility criteria below:
  - (i) suppliers: Service Providers under this category are mainly suppliers, which supply cloud services and electronic equipments;
  - (ii) contractors, agents, consultants and advisers: Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide design, research, development or other support or any advisory, consultancy,

professional or other services to the Group on areas relating to the Group's main businesses and/or other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialized skills and/or knowledge in the abovementioned fields; or

- (iii) business and joint venture partners: Service Providers under this category are mainly business and joint venture partners who provide services to the Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.
- (c) any company wholly owned by one or more persons belonging to any of (a) or (b) above classes of participants.

<b>“Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Grantee”</b>	means any Eligible Participant who accepts the offer of the grant of any Option in accordance with the terms of this Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
<b>“Group”</b>	means the Company and its Subsidiaries from time to time and “members” of the Group shall be construed accordingly;
<b>“HK\$”</b>	means Hong Kong dollars;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended, modified or supplemented from time to time);
<b>“Offer Date” or “date of grant”</b>	means the date on which such Option is offered to an Eligible Participant in accordance with Clause 4.02;

<b>“Option”</b>	means an option to subscribe for Shares granted pursuant to this Scheme;	
<b>“Option Period”</b>	means in respect of any particular Option (subject as otherwise provided under the terms of this Scheme, including without limitation Clause 7), such period during which the Option is exercisable as set out in the offer of the Option, which shall, at the discretion of the Directors, commence at any time on or after the date of the offer of the Option and expire no later than the 10th anniversary of the date of such offer;	17.03 (5) & (6)
<b>“Scheme”</b>	means this share option scheme (as amended, modified or supplemented from time to time);	
<b>“Shares”</b>	means shares of US\$0.0001 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of such shares from time to time) of the Company;	
<b>“Shareholders”</b>	means the holders of Shares;	
<b>“Subscription Price”</b>	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 5;	
<b>“Subsidiary”</b>	means a company which is for the time being and from time to time a subsidiary of the Company;	
<b>“substantial shareholder”</b>	has the meaning ascribed thereto under the Listing Rules; and	
<b>“trading day”</b>	means a day on which the Exchange is open for the trading of securities.	

1.02 In this Scheme save as where 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 any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amend, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted

under the relevant statute;

- (d) expressions in singular shall include the plural and vice versa;
- (e) expressions in any gender shall include other genders; and
- (f) References to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations enterprises, branches and entities of any other kind.

## **2. CONDITIONS**

2.01 This Scheme shall take effect conditional upon:

- (a) the passing of an ordinary resolution to approve the Scheme by the Shareholders at the Company's general meeting and to authorise the Board to grant the Options hereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the Scheme; and
- (b) the Listing Committee (as defined in the Listing Rules) granting or agreeing to grant approval of (subject to such condition as the Exchange may impose) the listing of, and permission to deal in, such number of Shares to be allotted and issued by the Company pursuant to the exercise of Options which may be granted under the Scheme, such number representing the General Scheme Limit (as defined below).

2.02 If any of the conditions in Clause 2.01 is not satisfied within six (6) months after the adoption Date:

- (a) this Scheme shall forthwith terminate;
- (b) any Option granted or agreed to be granted pursuant to this Scheme and any offer of such a grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme or any Option.

## **3. PURPOSE, DURATION AND ADMINISTRATION**

3.01 The purpose of this Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives or rewards for their contribution to the Group.

3.02 Subject to Clause 13, this Scheme shall be valid and effective for a period of ten (10) years commencing on the date on which the conditions set out in Clause 2.01 are satisfied, after which period no further Options will be granted but the provisions of this Scheme shall

remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of this Scheme and remain unexercised immediately prior to the end of the ten-year period shall continue to be exercisable in accordance with their terms grant within the Option Period for which such Options are granted, notwithstanding the expiry of this Scheme.

- 3.03 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

#### **4. GRANT OF OPTIONS**

- 4.01 On and subject to the terms of this Scheme, the Board shall be entitled at any time and from time to time within ten (10) years after the Adoption Date to offer to grant to any Eligible Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price PROVIDED THAT the granting of an Option under this Scheme to any Grantee which is a company or is a discretionary object of an Eligible Participant shall be subject to the execution by the Grantee or trustee and/or the beneficial owners in favor of the Company of an undertaking not to effect or permit any change in ultimate beneficial ownership of the Grantee so long as the Option so granted to the Grantee or any part thereof remains exercisable. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the classes of Eligible Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under this Scheme. The basis of eligibility of any of the class of Eligible Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

- 4.02 No offer of grant of Option shall be made after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with Rule 2.07C of the Listing Rules. In particular, no option may be granted during the period of one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Exchange in accordance with Rule 13.43 of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules) under the Listing Rules,



and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

- 4.03 An offer of the grant of an Option shall be made to an Eligible Participant by letter 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 five (5) days from the date upon which it is made PROVIDED THAT no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after this Scheme has been terminated.
- 4.04 An Option shall be deemed to have been granted and accepted (with retrospective effect from the Offer Date) when the duplicate letter comprising acceptance of the Option duly signed by the Grantee with the number of Shares in respect of which Offer is accepted clearly stated therein, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within seven days from the Offer Date. Such remittance shall in no circumstances be refundable.
- 4.05 Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of such number of Shares as represents a board lot for the time being for the purposes of trading on the Exchange or an integral multiple thereof. To the extent that the offer of the grant of an Option is not accepted within five (5) days from the date upon which it is made in the manner indicated in Clause 4.04, it will be deemed to have been irrevocably declined and lapsed automatically.
- 4.06 Each grant of Options to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial shareholder or any of their respective associates, under this Scheme or any other share option scheme of the Company or any of its subsidiaries shall comply with the requirements of Rule 17.04 of the Listing Rules (as amended, modified or supplemented from time to time) and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a Grantee of the Options).
- 4.07 In case of any change in the terms of Options granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates; or where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue (excluding treasury Shares), such further grant of Options must be approved by the Shareholders. The Company shall send a circular to all Shareholders, which must contain all relevant

information and comply with all relevant requirements as set out in the Listing Rules. All connected persons of the Company must abstain from voting in favor at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the circular in accordance with Rule 13.40 of the Listing Rules. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

## **5. SUBSCRIPTION PRICE**

The Subscription Price in respect of any Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall be at least not lower than the higher of:

- (a) the closing price of the Shares as stated in the Exchange's daily quotation sheet on the date of grant, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for Shares for each of the different period shall not be less than the Subscription Price determined in the manner set out in this Clause 5.

## **6. EXERCISE OF OPTIONS**

6.01 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

6.02 An Option may be exercised in whole or in part in the manner as set out in Clauses 6.03 and 6.04 by the Grantee (or, as the case may be, his or her legal personal representative(s)) within the Option Period giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a payment for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the payment and, where appropriate, receipt of the certificate of the Company's independent financial adviser or Auditors pursuant to Clause 9, the Company shall allot the relevant Shares to the Grantee (or his or her legal personal representative(s)) credited as fully paid and issue to the Grantee (or his or her legal personal representative(s)) a share certificate in

respect of the Shares so issued and allotted.

6.03 Subject as provided in this Scheme, an Option may be exercised by the Grantee (or his or her legal personal representatives) at any time during the Option Period in accordance with and subject to this Clause 6.03 and Clause 6.04:

- (a) if the Grantee is under employment with the Company and/or any of the Subsidiaries, in the event of the Grantee ceasing to be an Eligible Participant by reason of such Grantee's resignation from the employment of the Company or of any of the Subsidiaries or the termination of his or her employment by the Company or the relevant Subsidiary or the expiry of his or her employment with the Company or the relevant Subsidiary other than the termination of his or her employment due to serious misconduct or on one or more of the grounds specified in Clause 6.03(f), the Grantee may exercise the Option up to his or her entitlement at such date of cessation (to the extent not already exercised) on or before the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Company, or the relevant Subsidiary, on which salary is paid whether in lieu of notice or not, or such longer period as the Board may determine;
- (b) if the Grantee is under employment with the Company and/or any of the Subsidiaries, in the event of the Grantee ceasing to be an Eligible Participant by reason of his or her ill-health or retirement, the Grantee may, subject to Clause 7(a), exercise the Option up to his or her entitlement at such date of cessation (to the extent not already exercised) within the period of twelve months following the date of such cessation which date shall be the last actual working day on which the Grantee was at work with the Company, or the relevant Subsidiary, on which salary is paid whether in lieu of notice or not, or such longer period as the Board may determine;
- (c) if the Grantee is under employment with the Company and/or any of the Subsidiaries, in the event of the Grantee ceasing to be an Eligible Participant by reason of his or her death, the legal personal representative(s) of the Grantee may, notwithstanding Clause 7(a), exercise the Option up to the Grantee's entitlement at such date of cessation (to the extent not already exercised) within the period of twelve months following the date of his or her death (or such longer period as the Board may determine);
- (d) in the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her or its Option (to the extent not already exercised) to its

full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her or its Option (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;

- (e) 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 dispatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) and thereupon, each Grantee (or where permitted under Clause 6.03(c), his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her or its Options (to the extent which has become exercisable and not already exercised) at any time not later than one (1) Business Day prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation; and
- (f) if the Grantee of an Option is an Eligible Participant and ceases to be an Eligible Participant by reason that he/she has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group or the relevant Subsidiary into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his Option shall lapse automatically and shall not be exercisable on or after the date of ceasing to be an Eligible Participant.
- (g) if the Directors shall at their absolute discretion determine that (i) (1) the Grantee of any Option (other than an Eligible Participant) 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 relevant Subsidiary on the other part; (2) that 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 relation 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 items (1), (2) or (3) in Clause 6.03 (g)(i) above, his/her Option shall lapse automatically and shall not be exercisable on or after the date on which the Directors so determined.

- (h) If the Grantee is a company wholly owned by one or more Eligible Participants: Clause 3.02 and Clause 6.03(a),(b), (c) and (f) shall apply to the Grantee and to the Options to such Grantee, mutatis mutandis, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in Clause 3.02 and Clause 6.03(a),(b), (c) and (f) shall occur with respect to the relevant Eligible Participant, and the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretions decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

6.04 The Options may be vested partially over such period as determined by the Board in its absolute discretion. The periods over which the Options shall not be less than 12 months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board in any of the following circumstances:

1. grants of “make-whole” Options to new joiners to replace the share awards or Options they forfeited when leaving the previous employer;
2. grants to an Employee Participant whose employment is terminated due to death, ill-health, injury or disability or occurrence of any out of control event;
3. grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Option would have been granted;
4. grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
5. grants with performance-based vesting conditions in lieu of time-based vesting criteria.

Furthermore the Shares to be issued and allotted to a Grantee pursuant to the exercise of any Option under this Scheme may or may not at the discretion of the Board, be subject to any retention period.

The Company has no intention to use treasury shares, if any, for the Post-IPO Share Option Scheme.

6.05 There is no general requirement for any performance target that has to be achieved before the exercise of any Option except as otherwise imposed by the Board pursuant to Clause

4.01 and stated in the offer of grant of an Option pursuant to Clause 4.03.

- 6.06 No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. The Shares to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment of the Shares (on exercise of the Option) (the “**Allotment Date**”) and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Allotment Date, PROVIDED ALWAYS that when the Allotment Date falls on a day upon which the register of members of the Company is closed then the allotment upon the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry any dividend right and voting rights until the completion of the registration of the Grantee as the holder thereof.

## **7. 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 3.02 or Clause 6.03(a) to (g);
- (c) the date on which grantee commits a breach of the provision which restricts the Grantee to transfer or assign an Option granted under this Scheme or sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Option except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this Scheme;
- (d) the date on which the offer (or as the case may be, revised offer) referred to in Clause 6.03(d), which has become or is declared unconditional, closes;
- (e) the date on which the Grantee (being the employee or a director of any member of the Group) ceases to be an Eligible Participant of this Scheme by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her creditors generally, or has been convicted of any criminal offences involving his or her integrity or honesty or on any other ground on which an employer would be entitled to his or her employment summarily;

- (f) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made arrangement or composition with its creditors generally; and
- (h) unless the Board otherwise determines, and other than in the circumstances referred to in the Clause 6.03(a) to (c), the date the Grantee ceases to be an Eligible Participant (as determined by a Board resolution) for any other reason.

## 8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.01 (a) The total number of Shares in respect of which Options (including both exercised and outstanding Options) may be granted under this Scheme and any other share option schemes of the Company (“**General Scheme Limit**”) shall not, subject to Clause 9, in aggregate exceed 10% of the total number of Shares in issue on the date on which the Shares are first listed and traded on the Stock Exchange unless the Company seeks the approval of the Shareholders in general meeting for refreshing the General Scheme Limit and the Service Provider Sublimit (as defined hereinbelow) under this Scheme PROVIDED THAT Options lapsed in accordance with the terms of this Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the General Scheme Limit and Service Provider Sublimit (as defined hereinbelow) under this Clause 8.01(a). Within the General Scheme Limit, the total number of Shares in respect of which the Options (including both exercised and outstanding Options) may be granted to the non-employee service providers under this Scheme and any other share option schemes of the Company (“**Service Provider Sublimit**”) shall not, subject to Clause 9 and separate approval by the shareholders of the Company, exceed 2% of the General Scheme Limit.
- (b) The Company may seek approval of the Shareholders in general meeting for refreshing the General Scheme Limit (including the Service Provider Sublimit) after three (3) years from the date of the Shareholders’ approval for the last refreshment or the adoption of this Scheme such that the total number of Shares in respect of which Options may be granted under this Scheme and any other share option schemes of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue (excluding treasury Shares) as at the date of the approval of the Shareholders PROVIDED THAT Options previously granted under this Scheme or any other share option schemes of the Company (including Options outstanding, cancelled, lapsed or exercised in accordance with the terms of this Scheme or any other share option scheme of the Company) will not be counted for the purpose of calculating the limit as “refreshed”.

For the purpose of seeking the approval of Shareholders under this Clause 8.01(b), a

circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to the Shareholders.

- (c) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit PROVIDED THAT the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under this Clause 8.01(c), the Company must send a circular to the Shareholders containing a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the Grantees with a explanation as to how the terms of Options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.
  - (d) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under this Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Option may be granted under this Scheme or any other share option scheme(s) of the Company if this will result in the limit set out in this Clause 8.01(d) being exceeded.
  - (e) The exercise of any Options shall be subject to our Shareholders in general meeting approving any increase in the authorized share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company purpose of allotment of shares upon exercise of Option(s).
- 8.02 (a) Subject to Clause 8.02(b), no Eligible Participant shall be granted an Option if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options granted to such Eligible Participant (including both exercised and outstanding Options) in any 12-month period exceeding 1% of the total number of Shares in issue (excluding treasury Shares).
- (b) Where any further grant of Options to an Eligible Participant, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue (excluding treasury Shares), such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted and Options previously granted to such Eligible Participant and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule



17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Participant must be fixed before the Shareholders approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the Subscription Price.

- 8.03 Subject to Clauses 8.01 and 8.02, the number of Shares subject to Options and to this Scheme may be adjusted, in such manner as the Company's independent financial adviser or Auditors, as the Board may select, (acting as experts and not as arbitrators) shall certify in writing to the Board to be in their opinion appropriate, fair and reasonable in accordance with Clause 9.

## **9. EFFECTS OF ALTERATIONS OF CAPITAL STRUCTURE**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves, rights issue or other similar offer of securities to holders of Shares, consolidation Subdivision or reduction or similar reorganization of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) such corresponding alterations (if any) shall be made in :

- (a) the number or nominal amount of Shares subject to any Option so far as unexercised: and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in Clauses 8.01 and 8.02

in accordance with the Listing Rules, as an independent financial ad adviser or the Auditors (as the Board may select) shall certify in writing to the Board to be in their opinion appropriate, fair and reasonable, PROVIDED THAT any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he or she or it was entitled before such alteration and 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 before such event, but so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction.

In addition, in respect of any such alteration as provided in this Clause 9 other than any alteration made on a capitalization issue, the Company's independent financial adviser or the Auditors must confirm in writing to the Directors that the alteration satisfy the requirements

of the relevant provision of the Listing Rules and the supplementary guidance on the interpretation of the Listing Rules issued by the Exchange from time to time.

The capacity of the independent financial adviser or the Auditors in this Clause 9 is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees.

The costs of the independent financial advisers or the Auditors shall be borne by the Company.

## **10. SHARE CAPITAL**

The exercise of any Option shall be subject to the members of the Company in General meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto the Board shall make available sufficient authorized but unissued share capital of the Company to meet subsisting requirements on the exercise of all outstanding Options from time to time.

## **11. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares being the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the independent financial adviser or the Auditors (as the Board may select) 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

## **12. ALTERATION OF THIS SCHEME**

12.01 This Scheme may be altered in any respect by a resolution of the Board except that

- (a) any changes to the definitions of “Eligible Participant” and “Grantee” an “Option Period” in Clause 1.01;
- (b) any material alteration to the terms and conditions of this Scheme;
- (c) any change to the terms of Options granted (except where the alterations take effect pursuant to the terms of this Scheme);
- (d) any change to the authority of the Board in relation to any alteration to the terms of this Scheme;
- (e) any alteration to the provisions of this Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantee; and

- (f) any alteration to the termination provisions of this Scheme must be approved by an ordinary resolution of the Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under this Scheme and their respective Associates shall abstain from voting PROVIDED THAT the amended terms of this Scheme or the Options shall remain in compliance with the requirements of Chapter 17 of the Listing Rules and that no such alteration shall operate to adversely affect the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except then subject to Options granted under this Scheme and provided further that any alterations to the terms and conditions of this Scheme which are of a material nature shall first be approved by the Exchange.

- 12.02 The Company must provide to all Grantees all details relating to changes in the terms of this Scheme during the life of this Scheme immediately upon such changes taking effect.

### **13. TERMINATION**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of this Scheme and in such event no further Option will be offered but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of this Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

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

- 14.01 The Company may cancel an Option granted but not exercised with the prior written consent of the Grantee of such Option.
- 14.02 Cancelled Options may be re-issued after such cancellation has been approved, PROVIDED THAT re-issued Options shall only be granted in compliance with the terms of this Scheme.
- 14.03 Where the Company cancels Options granted to an Eligible Participant, the Company may, in place thereof, grant new options to the same Eligible Participant, provided that there are available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in Clause 8.01.
- 14.04 For the avoidance of doubt, Options which have been exercised shall not be regarded as cancelled Options.

### **15. GENERAL**

- 15.01 The Company shall bear the costs of establishing and administering this Scheme.
- 15.02 The Company shall provide a summary of the terms of this Scheme to all Grantees upon their joining this Scheme and a copy of the rules of this Scheme to any Grantee who requests such a copy.
- 15.03 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 as notified to the Grantees from time to time and, in the case of Grantees, their respective residential address, registered address or principal place of business as notified to the Company from time to time.
- 15.04 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.
- 15.05 The Grantee shall be responsible for obtaining any governmental or other off consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the 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 or her or its participation in this Scheme.
- 15.06 By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant of Option subject to the provisions of this Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him or her or it for loss of any rights under this Scheme.

## **16. GOVERNING LAW**

This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.