

WAI CHI HOLDINGS COMPANY LIMITED
(偉志控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

RULES OF THE
SHARE OPTION SCHEME

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1. DEFINITIONS AND INTERPRETATION

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

"Articles"	the articles of the association of the Company from time to time
"associates"	has the meaning ascribed to it under the Listing Rules
"Auditors"	the auditors for the time being of the Company
"Board"	the board of Directors, such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors to administrate this Scheme
"Business Day"	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which the Stock Exchange is open for trading and on which licensed banks are open for ordinary banking business in Hong Kong
"Company"	Wai Chi Holdings Company Limited, a company incorporated with limited liability in the Cayman Islands
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, and includes any amendment, consolidation or re-enactment thereof from time to time
"Companies Ordinance"	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"connected person"	has the meaning ascribed to it under the Listing Rules
"core connected person"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	Appendix 14 "Corporate Governance Code" to the Listing Rules
"Date of Grant"	the date on which an Option Certificate is issued by the Company pursuant to a resolution of the Board provided that such issue shall not be later than seven (7) days after the end of the period of acceptance mentioned in rule 6.1
"Director"	any director (including independent non-executive director) of the Company for the time being

"Effective Date"	means the date on which this Scheme is adopted by the ordinary resolution of the Shareholders at the EGM
"EGM"	the extraordinary general meeting of the Company for the purpose of considering and, if thought fit, approving, among other things, the adoption of the Share Award Scheme and the Share Option Scheme and the termination of the Existing Share Option Scheme
"Eligible Participant"	any executive, employee, director (including non-executive director and independent non-executive director) of the Company or any of its subsidiaries
"Existing Share Option Scheme"	the existing share option scheme approved and adopted by the Company on 27 October 2014
"Group"	the Company and its Subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"inside information"	has the meaning ascribed to it under the Listing Rules and as defined in the SFO
"Listing Committee"	the listing committee of the board of directors of the Stock Exchange for the purpose of the listing on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules from time to time
"Offer"	an offer to grant an Option in accordance with rule 4.1
"Option"	an option or right to subscribe for Shares pursuant to the Scheme
"Option Certificate"	a certificate issued to an Eligible Participant upon the grant of any Option to him, in such form as the Board may from time to time determine
"Option Holder"	any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) a person who is entitled to any such Option by operation of law or otherwise in consequence of the death of the original Option Holder

"Option Period"	the period within which an Option may be exercised by the Option Holder under the Scheme, commencing from the Date of Grant and ending on such date as the Board may determine in granting the Option but in any event not exceeding ten (10) years from the Date of Grant
"Option Price"	the price per Share payable on the exercise of an Option as-determined by the Board and shall at least be the highest of: <ul style="list-style-type: none"> (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of Offer, which shall be a Business Day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of Offer; or (where applicable) such price as from time to time adjusted pursuant to the Scheme
"Refreshment"	the refreshing of the Scheme Limit as approved by Shareholders in general meeting in accordance with the relevant rules under the Listing Rules
"Relevant Event"	any variation in the share capital of the Company arising from any capitalisation issue, reduction, sub-division or consolidation of share capital of the Company, any rights issue of any share capital of the Company by way of capitalisation of profits or reserves or in connection with an open offer to the Shareholders (except where Shares are issued as consideration or part consideration in a transaction)
"Scheme"	the "Share Option Scheme" constituted by the rules hereof; in present form or as amended from time to time in accordance with the provisions hereof
"Scheme Period"	the period commencing on the Effective Date and expiring at 5:00 p.m. on the Business Day preceding the tenth anniversary of the Effective Date
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shareholder(s)"	holder(s) of Share(s) from time to time
"Share Award Scheme"	the share award scheme proposed to be adopted by the Company at the EGM, in its present form or as amended from time to time

"Shares"	fully paid ordinary shares of HK\$0.01 each in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, sub-division or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which the Option is exercised
"Subsidiary"	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, and the term "Subsidiaries" shall be construed accordingly
"substantial shareholder"	shall have the meaning ascribed to it under the Listing Rules
"\$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

1.2 In this Scheme, unless the context otherwise requires:

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to paragraphs and schedules are reference to paragraphs and schedules of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, 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 the 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. PURPOSES AND OBJECTIVES

The objective of this Scheme is to recognise and acknowledge the contributions of the Eligible Participants to the Group by granting Options to them as incentives or rewards thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

3. CONDITIONS, DURATION AND ADMINISTRATION

3.1 The Scheme is conditional upon:

- (a) the passing of the necessary resolutions by the Shareholders to approve and adopt the rules of this Scheme and to authorise the Board to grant Options under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option;
- (b) the passing of the resolution by the Shareholders at the EGM to approve the termination of the Existing Share Option Scheme; and
- (c) the Listing Committee granting approval to the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of Options to be granted under this Scheme.

3.2 If the aforesaid conditions in paragraph 3.1 are not satisfied within 30 days from the Effective Date:

- (a) the Scheme shall forthwith determine;

- (b) any Option granted or agreed to be granted pursuant to this Scheme and any Offer shall forthwith lapse and be of no effect; and
 - (c) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Scheme, or any outstanding Offer or Option.
- 3.3 Subject to rule 13.3, the Scheme shall be valid and effective for the Scheme Period, after which no further Options may be granted but in all other respects the provisions of the Scheme shall remain in full force and effect.
- 3.4 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.

4. GRANT OF OPTIONS

4.1 On and subject to the terms of the Scheme, the Board may during the Scheme Period at its absolute discretion (subject to any conditions as it may think fit) offer to an Eligible Participant an Option to subscribe at the Option Price for such number of Shares as the Board may determine, save and except that

- (a) in addition to the Shareholders' approval set out in rule 5.3, rule 5.5 and rule 5.6, any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates under this Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is proposed to be an Option Holder); and
- (b) where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued in respect of all Options and awards granted (excluding any Options and awards lapsed in accordance with the terms of this Scheme and the Share Award Scheme) to such person in the period of twelve (12) consecutive months up to and including the Date of Grant representing in aggregate over 0.1 % of the Shares in issue,

such further grant of Options must be approved by the Shareholders in general meeting in accordance with the relevant rules and E.1.9 of the Corporate Governance Code under the Listing Rules. In the circumstances described above, the Company must send a circular to the Shareholders in accordance with the relevant requirements under the Listing Rules.

4.2 For the purpose of and in connection with the convening of the general meeting of the Company for considering and (if thought fit) approving such proposed grant of Options referred to in rule 4.1 (b), the following provisions shall apply:

- (a) the proposed Option Holder, his/her associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting. The Company must comply with requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules; and
- (b) the circular to the Shareholders shall contain the following information:

- (i) details of the number and terms of the Options as required 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 Option price under Rule 17.03E of the Listing Rules;
- (ii) the description of the terms of the Options required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules;
- (iii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is proposed to be an Option Holder) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (iv) information relating to any Directors who are trustees of the Scheme or have a direct or indirect interest in the trustees;
- (v) a statement in the form set out in paragraph 2 of Appendix I, Part B of the Listing Rules;
- (vi) information required under Rule 2.17 of the Listing Rules; and
- (vii) any other information as required by the Stock Exchange.

4.3 For so long as the Shares are listed on the Stock Exchange,

- (a) no Offer shall be made after any inside information has come to the knowledge of the Company until such inside information has been published in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for publishing of an announcement of the Company's 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, no Offer may be made.
- (b) No Option may be granted during any period of delay in publishing a results announcement.
- (c) the Directors must not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code or any corresponding code or securities dealing restrictions adopted by the Company.

- 4.4 Any agreement for the grant of Options or Offer made pursuant hereto shall be subject to the terms of the Scheme and shall be subject to any adjustments made pursuant to the Scheme at any time and from time to time.
- 4.5 Eligible Participants include any executive, employee, director (including non-executive director and independent non-executive director) of the Company or any of its subsidiaries. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to his/her contribution and/or future contribution to the development and growth of the Group. In assessing the eligibility of any Eligible Participants, the Board will consider all relevant factors as appropriate, including, among others, (i) length of service of the Eligible Participant; (ii) experience of the Eligible Participant on the Group's business; (iii) amount of contribution the Eligible Participant has made or is likely to make towards the success of the Group; and (iv) such other factors as the Board may at its discretion consider appropriate.
- 4.6 Subject to the rules of the Scheme, the Board may at its discretion, when making an Offer, impose any conditions, restrictions or limitations in relation thereto as it may think fit.
- 4.7 An Eligible Participant to whom any Option is granted is not required to achieve any performance target before any exercise of his/her Option.
- 4.8 No Director shall deal in any securities of the Company unless he fully complies with the provisions of the Model Code.

5. SCHEME LIMIT

- 5.1 The total number of Shares which may be issued upon exercise of all Options and awards to be granted under the Share Option Scheme, the Share Award Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (the "**Scheme Limit**"), unless further Shareholders' approval has been obtained pursuant to rules of the Share Option Scheme, provided that Options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit. As at the Effective Date, the total number of Shares in issue is 216,825,000 Shares. Assuming (i) the passing of the proposed ordinary resolution approving the Scheme Limit at the EGM; and (ii) no change in the total number of Shares in issue as at the Effective Date, the Scheme Limit will be 21,682,500 Shares.
- 5.2 The Company conducts a share consolidation or subdivision after the Scheme Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options and all awards to be granted under the Scheme and the Share Award Scheme, as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 5.3 The Company may seek approval by its Shareholders in general meeting for Refreshment of the Scheme Limit under the Scheme after three (3) years from the Effective Date or the date of the Shareholders' approval for the last Refreshment (as the case may be) in accordance with the relevant rules in the Listing Rules. Any Refreshment within any three (3) year period must be approved by the Shareholders in general meeting, provided that (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, the 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(s) at the general meeting; and (ii) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules. The aforesaid requirement on Refreshment does not apply if the Refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Limit (as a percentage of the relevant class of Shares in issue) upon Refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

- 5.4 The total number of Shares which may be issued in respect of all Options and awards to be granted under this Scheme, the Share Award Scheme and any other schemes of the Group under the Scheme Limit as refreshed shall not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Limit (the “**Refreshment Approval Date**”). The Company shall send a circular to its Shareholders containing the number of Options and awards that were already granted under the existing Scheme Limit, and the reason for the Refreshment in accordance with the relevant requirements under the Listing Rules.
- 5.5 The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Limit, provided that the Options in excess of the Scheme Limit are granted only to Eligible Participant specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders containing the name of each Eligible Participant who may be granted such Option, the number and terms of the Options to be granted to each Eligible Participant, the purpose of granting Options to the Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other relevant requirements under the Listing Rules. The number and terms of Options to be granted to such Eligible Participant must be fixed before the 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 Option Price under Rule 17.03E of the Listing Rules.
- 5.6 The maximum number of Shares of which Options may be granted to an Eligible Participant under the Scheme in any 12-month period up to and including the date of such grant shall not exceed one per cent. (1%) of the issued share capital of the Company as at the Effective Date or the Refreshment Approval Date (as the case may be). Where any grant of Option to an individual Eligible Participant would result in the Shares issued and to be issued in respect of all Options and awards granted to such Eligible Participant (excluding any Options and awards lapsed in accordance with the terms of this Scheme and the Share Award Scheme, respectively) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. In such case, the Company shall send a circular to the Shareholders containing the identity of each Eligible Participant who may be granted such Option, the number and terms of the Options to be granted to each Eligible Participant (and those previously granted to such participant in the 12-month period), the purpose of granting Options to the Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other relevant requirements under the Listing Rules. The number and terms of Options to be granted to such Eligible Participant must be fixed before the 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 Option Price under Rule 17.03E of the Listing Rules.

6. ACCEPTANCE OF OFFERS OF OPTIONS

- 6.1 Offers shall be open for acceptance, in whole or in part, in a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and in writing received by any of the Directors or the secretary of the Company until 5 :00 p.m. on the date specified in the Offer provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof. The Company shall on the Date of Grant issue Option Certificates under the common seal of the Company in such form as the Board may from time to time determine.
- 6.2 An Option shall be personal to the Option Holder and shall not be transferable or assignable. No Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any other person over or in relation to any Option, except for the transmission of an Option on the death of the Option Holder to his/her personal representative(s) on terms of this Scheme. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder without incurring any liability on the part of the Company.
- 6.3 Offers not accepted within the period referred to in rule 6.1 shall lapse.
- 6.4 An amount of HK\$1.00 is payable by an Eligible Participant on acceptance of an Offer to the Company within 28 days from the Offer Date.

7. RIGHT OF EXERCISE

- 7.1 Subject to the following paragraphs of these rules, Options may be exercised by an Eligible Participant (or in the case of his/her death, his/her personal representative(s)), in whole or in part, at any time during the Option Period except that no Option may be exercised until the expiry of 12 months vesting period after the Date of Grant.
- 7.2 If an Option Holder ceases to be an Eligible Participant during any relevant Option Period:
- (a) by reason of ill health, injury, disability or death (all evidenced to the satisfaction of the Directors), or because his/her employing company ceases to be a member of the Group, then any outstanding Offer to him/her shall lapse and he/she or his/her personal representative(s) (as the case may be) may exercise all his/her Options within a period of six (6) months of such ill-health, injury, disability, death or cessation, failing which such Options shall lapse and determine at the end of the relevant period;
 - (b) by reason of retirement in accordance with his/her contract of employment or upon expiration of his/her contract of employment or term of directorship, then any outstanding Offer to him/her shall lapse and he/she may exercise all his Options within six (6) months after he/she so retires or expiration of his/her contract of employment or term of directorship, failing which such Options shall lapse and determine at the end of the relevant period; and
 - (c) by reason of voluntary resignation other than by reason of the circumstances set out in rules 7.2(a) and 7.2(b) or by termination of his/her employment in accordance with the termination provisions of his/her contract of employment by his/her employing company,

then any outstanding Offer to him/her shall lapse and all his/her Options shall lapse and determine on the date of the resignation or termination;

provided always that in each case the Board may in its absolute discretion decide that such Options shall not so lapse or determine subject to such conditions or limitations as the Board may decide.

- 7.3 Subject to rule 13.1, the Option Period shall not be extended and, on expiry of the Option Period, all rights in respect of an Option shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its duties under the Scheme in relation to the exercise. No Option may be exercised after the expiry of the Option Period.

8. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC

- 8.1 If, in consequence of any general offer made to the Shareholders (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control of the Company then the Board shall as soon as practicable thereafter notify every Option Holder accordingly and each Option Holder shall, subject to rule 7.2, be entitled at any time within the period of one month after control has been obtained to exercise any Option in whole or in part, and to the extent that it has not been exercised, any Option and any outstanding Offer shall upon the expiry of such one month period cease and determine; provided that if, during such one month period, any person becomes entitled to exercise rights of compulsory acquisition of Shares pursuant to section 88(1) of the Companies Law and gives notice in writing to any Shareholders that he/she intends to exercise such rights, the Options shall, subject to rule 7.2, be and remain exercisable until one month from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine, and any outstanding Offer shall lapse.
- 8.2 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, every Option shall, subject to rule 7.2, be exercisable in whole or in part (but so that any exercise hereunder shall only be valid if, at the time of such resolution being passed, the Option shall not have ceased and determined in accordance with the foregoing provisions of the Scheme) at any time thereafter until such resolution is duly passed or defeated or the general meeting concluded or adjourned sine die, whichever shall first occur. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine and all outstanding Offers shall lapse.
- 8.3 If under the Companies Law a compromise or arrangement between the Company and the Shareholders or between the Company and its creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice which is sent to each Shareholder or creditor of the Company summoning the meeting to consider the compromise or arrangement, and thereupon each Option Holder (or where permitted his personal representatives) shall forthwith and until the expiry of the period commencing with that date and ending with the earlier of the date two (2) calendar months thereafter or the date on which the compromise or arrangement is sanctioned by the court be entitled to exercise his Option, but the exercise of an Option as aforesaid shall be conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. Upon the compromise or arrangement becoming effective, all

Options shall lapse except insofar as exercised under this paragraph and all outstanding Offers shall lapse. The Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option Holder in the same position as nearly as would have been the case had the Shares been subject to the compromise or arrangement.

- 8.4 For the purposes of this rule 8, "control" shall have the meaning from time to time ascribed thereto by the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, that is to say, a holding or aggregate holdings for the time being of 30% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

9. EXERCISE OF OPTIONS

- 9.1 Save as provided in rules 7 and 8, Options may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the secretary of the Company must, prior to the expiry of the Option Period, have received:

- (a) a written notice (which may be endorsed on the Option Certificates) exercising the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised;
- (b) Option Certificates sufficient to cover the number of Shares in respect of which the Option is being exercised; and
- (c) payment in full by cheque, banker's draft or cashier's order of the Subscription Price.

Unless otherwise agreed between the Company and the Option Holder, Shares in respect of an Option shall be issued within fourteen (14) days of the date upon which exercise of an Option becomes effective (being the date of such receipt).

- 9.2 Save as provided in rules 8.1 and 8.2, no Option shall be capable of exercise in part (other than to the full extent outstanding) except in amounts or multiples, subject to adjustment on the occurrence of any Relevant Event, of board lots for Shares as for the time being traded on the Stock Exchange.
- 9.3 A Share to be allotted and issued upon the exercise of an Option shall not carry voting rights until the registration of the Option Holder (or any other person nominated by the Option Holder) as the holder thereof in the register of members of the Company. If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option becoming effective in the manner referred to in rule 9.1, a dividend or other distribution is to be or is proposed to be paid or made to the Shareholders by reference to a record date prior to the date of entry of such Option Holder in the register of members of the Company, the Shares to be allotted and issued upon the exercise will not rank for such dividend or distribution. Subject as aforesaid, Shares allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the Shares in issue on the date of the entry of such Option Holder in the register of members of the Company including in respect of those rights arising on a liquidation of the Company.
- 9.4 All allotments and issues of Shares will be subject to the Articles and any necessary consents under any relevant enactments or regulations for the time being in force in Hong Kong, the

Cayman Islands and any other relevant jurisdictions and it shall be the responsibility of the Option Holder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any consent. The Company shall not be responsible for any failure by the Option Holder to obtain any such consent or for any tax or other liability to which the Option Holder may become subject as a result of his participation in the Scheme.

- 9.5 If the number of Shares to which Option Certificates lodged under rule 9.1 relate, exceeds the number of Shares comprised in the notice of exercise thereof, the Company shall provide an Option Certificate in relation to the balance to the Option Holder.
- 9.6 The Company shall use all reasonable endeavours to procure that Shares to be issued upon the exercise of an Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on the Stock Exchange and on those stock exchanges upon which Shares already in issue are listed.
- 9.7 Any Options granted but not exercised may be cancelled subject to approval by the relevant Option Holders. Issuance of new Options to the same Option Holder may only be made by the Company if there are unissued Options available under the Scheme (excluding the cancelled Options) within the Scheme Limit or the Scheme Limit as refreshed pursuant to rule 5.3 and in compliance with the terms of the Scheme. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit.

10. ADJUSTMENTS

- 10.1 Upon the occurrence of any Relevant Event, the number or nominal amount of Shares comprised in each Option and/or the Option Price thereunder and/or the Scheme Limit in rule 9 .2. may be adjusted in any manner as the Board (having received a statement in writing from the Auditors or an approved independent financial adviser, acting as experts and not as arbitrators, that in their opinion the adjustments proposed satisfy the requirements set out in the Note to Rule 17.03(13) of the Listing Rules and/or the rules, requirements and guidelines issued by the Stock Exchange from time to time) may deem appropriate provided always that:
- (a) no increase shall be made in the aggregate Subscription Price relating to any Option;
 - (b) any adjustments should give an Option Holder the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled prior to such adjustments;
 - (c) no adjustments shall be made which will enable a Share to be issued at less than its nominal value; and
 - (d) where the Relevant Event arises from an issue of Shares, reference herein to Options shall include references to Options that have been exercised prior to the date of the adjustment in respect of Shares which pursuant to rule 9.3 do not rank and are not entitled to participate in the issue.
- 10.2 Notice of any adjustments shall be given to the Option Holders by the Company, which may, but need not, call in Option Certificates for endorsement or replacement.

- 10.3 For the avoidance of doubt, the issue of securities as consideration in a transaction shall not be regarded as a Relevant Event and consequently no adjustment shall be required as a result thereof.

11. LAPSE OF OPTION

- 11.1 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 date on which the Option Holder commits a breach of rule 6.2;
 - (c) the expiry of the periods referred to in rules 7.2(a), (b) or (c);
 - (d) the expiry of the periods referred to in rule 8.1;
 - (e) the date an effective resolution being passed for the voluntary winding-up of the Company as provided under rule 8.2; and
 - (f) subject to the compromise or arrangement being sanctioned by the court and becoming effective, the expiry of the period referred to in rule 8.3.

12. ADMINISTRATION

- 12.1 Notices or documents required to be given to an Eligible Participant or to an Option Holder shall either be delivered to him personally or sent to him by pre-paid post at his home address according to the records of the Group or sent to him by facsimile transmission at his place of work or to such facsimile number as provided from time to time; and shall be deemed to have been received:
- (a) if by delivery in person, when delivered to the addressee;
 - (b) if by post in the case of a letter, on the second Business Day following posting if the address is in Hong Kong and on the seventh Business Day following posting if the address is outside Hong Kong; and
 - (c) if by facsimile transmission, on production of a transmission report by the machine from which the facsimile transmission was sent which indicates that the facsimile transmission was sent in its entirety to the facsimile number of the recipient notified for the purpose of this rule.
- 12.2 The Company shall procure that Option Holders receive copies of all notices and documents sent by the Company to the Shareholders generally at the same time as such notices and documents are sent to Shareholders.
- 12.3 The Company shall at all times keep available for allotment enough unissued Shares of the Company to satisfy all Options for the time being unexercised and Offers which are outstanding.

- 12.4 The decision of the Board in any disputes relating to an Option or matter relating to the Scheme shall be final and binding, subject to the prior receipt of a statement in writing from the Auditors or an approved independent financial adviser when so required by rule 10.
- 12.5 The costs of introducing and administering the Scheme shall be borne by the Company.
- 12.6 The Board shall have power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with these rules.

13. VARIATIONS AND TERMINATION

- 13.1 Subject to rule 13.2, the Board may from time to time in its absolute discretion waive or amend any of the rules of the Scheme as it deems desirable, provided that, except with the prior sanction of the Company in general meeting, no alteration shall be made to the terms and conditions of the Scheme which are of a material nature or no alterations to any of the rules relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Option Holders (present or future) or Eligible Participants unless such alteration is approved by Shareholders in general meeting, including without limitation:
- (a) the definition of "Eligible Participant";
 - (b) the total amount of Shares subject to the Scheme;
 - (c) the maximum entitlement for any Eligible Participant under the Scheme;
 - (d) the Option Period;
 - (e) the Option Price and the basis for determining the same;
 - (f) the voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, attaching to the Shares and to any Options (if appropriate);
 - (g) the Scheme Period;
 - (h) rules relating to adjustment to the Subscription Price;
 - (i) rules relating to adjustment to the number or amount of Shares subject to Options already granted; and
 - (j) rules relating to adjustment to the Scheme on the occurrence of a Relevant Event.
- 13.2 No amendments to the Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with any consent on their part as would be required under the provisions of the Articles if the Options constitute a separate class of share capital and if the provisions applied mutatis mutandis thereto.
- 13.3 The Company by an ordinary resolution in general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in full force and effect 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 and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Scheme.

- 13.4 Any change to the terms of Options granted to the Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (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 the Shareholders (as the case may be). The amended terms of the Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 13.5 Any alteration to the authority of the Board to alter the terms of the Scheme must be approved by the Shareholders in general meeting.
- 13.6 The Company has not established a clawback mechanism in the Scheme to recover or withhold the Options granted to any Option Holder in the event that any Option Holder has committed any serious misconduct or breach of the Company's policies, rules or regulations or made any material misstatement(s) in the Company's financial statements

14. GOVERNING LAW, ETC

- 14.1 The Scheme shall operate subject to the Articles and any applicable law.
- 14.2 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

15. DISPUTES

Any dispute arising in connection with this Scheme shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decision shall be final and binding.

16. MISCELLANEOUS

- 16.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no conditional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 16.2 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.
- 16.3 The Company shall bear the costs of establishing and administering this Scheme, including, for the avoidance of doubt, cost of the Auditor or any independent financial adviser in relation to the preparation of any certificate by them or provision of any other service in relation to this Scheme.

- 16.4 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. An Option Holder shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in this Scheme as an Eligible Participant or for any tax, duty, expenses, fees or any liability to which he may become subject as a result of his participation in this Scheme.
- 16.5 In no circumstances shall a person ceasing to be an Eligible Participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or any Offer or otherwise in connection with the Scheme.
- 16.6 An Option Holder shall, before accepting an Offer or exercising his Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Option Holder thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by an Option Holder and an exercise by an Option Holder of his Options. An Option Holder shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Option Holder to obtain any necessary consent or to pay tax or other liabilities referred therein.
- 16.7 An Option Holder shall pay all tax and discharge all liabilities to which he may become subject or liable as a result or consequence of his participation in the Scheme or the exercise of any Option.
- 16.8 By accepting an Offer, an Eligible Participant shall be deemed irrevocably 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 for loss of any rights under this Scheme.
- 16.9 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from this Scheme, and any such deletion shall not affect the enforceability of this Scheme and the remaining provisions thereof that are not so deemed to have been deleted.