

MANSION INTERNATIONAL HOLDINGS LIMITED

民信國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Adopted on 28 December 2017 and amended pursuant to the shareholders resolutions passed on 28 April 2023)

SHARE OPTION SCHEME

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1. **Definitions and interpretation**

1.1 In these Rules, except where the context otherwise requires, the following words and expressions shall have the following meanings:

"Acceptance Date"	means, in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Person pursuant to Rule 5.3;
"Adoption Date"	means the date on which this Scheme becomes unconditional;
"associates"	shall have the meaning ascribed to it in Chapter 1 of the GEM Listing Rules;
"Auditors"	means the auditors for the time being of the Company;
"Board" or "Directors"	means the board of directors from time to time of the Company, which for the purposes of this Scheme shall include (i) any committee of the board of directors of the Company duly constituted from time to time to administer this Scheme and to which the functions and responsibilities of the board of directors of the Company under this Scheme have been delegated and (ii) where Rule 6.1 applies, the independent non-executive directors of the Company referred to in Rule 6.1;
"business day"	means a day (other than a Saturday) upon which banks in Hong Kong are open for normal business;
"chiefexecutive"	shall have the meaning ascribed to it in Chapter 1 of the GEM Listing Rules;
"Company"	means Mansion International Holdings Limited 民信國際控股有限公司, a company incorporated in the Cayman Islands with limited liability;
"Companies Ordinance"	means the Companies Ordinance (Cap.622), Laws of Hong Kong;
"connected person"	shall have the meaning ascribed to it in Chapter 1 and Chapter 20 of the GEM ListingRules;
"controlling shareholder"	shall have the meaning ascribed to it in Chapter 1 of the GEM ListingRules;

"core connected person"	shall have the meaning ascribed to it in Chapter 1 of the GEM Listing Rules;
"Date of Grant"	means, in relation to any Option, the day (which must be a business day) on which the Directors resolve to make an offer of that Option to an Eligible Person subject to Rule 6.3 and Rule 11.1;
"Eligible Person"	means Directors and employees of any member of the Group (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with any member of the Group) (“ Employee Participants ”). The eligibility of the Eligible Persons will be determined by the Board based on their potential and/or actual contribution to the business and development of the Group.;
"Exercise Price"	means the price per Share payable on the exercise of an Option as determined by the Directors provided always that it shall comply with the provision of Rule 7;
“GEM”	GEM of the Stock Exchange
"Group"	means the Company and the Subsidiaries;
"HK\$"	means Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	means Hong Kong Administrative Region of the PRC;
"Listing Date"	means the date on which the Shares commence trading on the Stock Exchange;
"Option"	means an option to subscribe for Shares pursuant to this Scheme;
"Option Holder"	means the holder for the time being of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death of the original holder, or the legal personal representative such holder, as set out in Rule 8.5;
"Option Period"	means in respect of any Option, such period as the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years from the Date of Grant and in the absence of such determination, the period commencing from the Acceptance Date and ending: <ul style="list-style-type: none"> (i) in accordance with Rule 9; or

	(ii) on the day immediately preceding the tenth anniversary of the Date of Grant;
	whichever is earlier;
"Other Schemes"	shall have the meaning ascribed to in Rule 6.2;
"PRC"	means the People's Republic of China;
"Prospectus"	means the prospectus of the Company to be dated on or about 12 January 2018;
"Scheme"	means the scheme constituted by these Rules in their present form or as from time to time amended in accordance with Rule 15 hereof;
"Scheme Period"	means the period commencing on the Adoption Date and expiring on the earlier of either the close of business day immediately preceding the tenth anniversary thereof and the date on which this Scheme is terminated under Rule 16;
"Share"	means a share of HK\$0.2 each in the capital of the Company and any other share resulting from any sub-division, consolidation or reclassification of such share, and "Shares" shall be construed accordingly;
"Shareholder(s)"	means holder(s) of Share(s);
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subsidiary"	means any subsidiary of the Company for the time being within the meaning of the Companies Ordinance;
"substantial shareholder"	shall have the meaning ascribed to it in Chapter 1 of the GEM Listing Rules;
"Underwriting Agreements"	as defined in the Prospectus.

1.2 In these Rules:

- (i) the headings and table of content are inserted for convenience only and shall not affect the construction of these Rules;
- (ii) any reference to a Rule shall be a reference to one of these Rules;

- (iii) the singular shall include the plural, the masculine shall include the feminine and vice versa;
- (iv) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind; and
- (v) references to any statute or statutory or regulatory 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 or regulatory provision (whether with or without modification) from time to time, and shall include any subsidiary legislation enacted under the relevant statute from time to time.

2. **Purpose of this Scheme**

The purpose of this Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

3. **Conditions**

3.1 This Scheme is conditional on:

- (i) the passing of the necessary resolution by the Shareholders to approve and adopt this Scheme;
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares in issue and the Shares which may fall to be issued pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme;
- (iii) the commencement of dealings in the Shares on the Stock Exchange; and
- (iv) the obligations of the underwriters under the Underwriting Agreements

becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

- 3.2 References in Rule 3.1 to the Listing Committee of the Stock Exchange granting approval and permission shall include any such approval and permission which is subject to conditions.
- 3.3 If the condition set out in Rule 3.1(ii) above is not granted within two calendar months after the Adoption Date:
- (i) this Scheme will forthwith terminate;
 - (ii) any Option granted or agreed to be granted pursuant to this Scheme and any offer of such a grant shall be of no effect;
 - (iii) 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; and
 - (iv) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by the Company.

4. Duration and Administration

- 4.1 This Scheme shall be subject to the administration of the Board whose decision as to all matters relating to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.
- 4.2 Subject to Rules 15 and 16, this Scheme shall be valid and effective during the Scheme Period. On expiry of the Scheme Period, no further Option shall be granted but in all other respects the provisions of this Scheme shall remain in full force and effect. All Options granted and accepted prior to such expiry and remaining unexercised immediately prior to the expiry of this Scheme shall continue to be valid and exercisable in accordance with the terms of this Scheme.

5. Offers to Grant Options and Acceptance thereof

- 5.1 Subject to these Rules, the Directors may at any time and from time to time during the Scheme Period at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK\$1.00, to grant Options to the Eligible Persons (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof). Any such terms, conditions, restrictions or limitations so imposed in relation to any Option shall be notified to the Eligible Person to whom the offer to grant such Option has been made by way of writing in the

letter or document containing the offer of grant of the Option.

- 5.2 Any offer to grant an Option shall be made in writing and shall specify the Exercise Price, the number of Shares comprised in such Option and the Option Period and shall include a statement to the effect that any acceptance thereof shall render the Eligible Person who is being offered bound by the provisions of this Scheme.
- 5.3 Any offer to grant an Option shall be open for acceptance in writing. An offer of grant of an Option may be accepted by an Eligible Person within the date as specified in the offer letter issued by the Company, being a date not later than twenty-one (21) days inclusive of, and from, the Date of Grant, by which the Eligible Person must accept the offer or be deemed to have declined it, provided that:
- (i) such date shall not be more than ten (10) years after the date of adoption of this Scheme or after the termination of this Scheme; and
 - (ii) no such offer may be accepted by a person who ceases to be an Eligible Person after the offer has been made.
- 5.4 An offer shall be deemed to have been accepted on the date when the duly signed duplicate comprising acceptance of the offer by the Eligible Person, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is delivered to the Company. Such consideration shall in no circumstances be refundable. Subject to the rules of this Scheme, Options may be exercised in whole or in part by the grantee at any time before the expiry of the said period of twenty-one (21) days to be determined and notified by the Board to the grantee which in any event shall not be longer than ten (10) years commencing on the date of the offer letter and expiring on the last day of such ten-year period.
- 5.5 An offer of the grant of an Option not accepted within the said period of twenty-one (21) days in accordance with Rule 5.3 shall lapse and deem to be irrevocably rejected.
- 5.6 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 board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer

letter comprising acceptance of the offer of the Option.

5.7 The Date of Grant of any Option shall be a business day.

5.8 No offer of an Option shall be made and no Option shall be granted after inside information has come to the Board's knowledge until such inside information has been announced pursuant to the requirements of the GEM Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of:

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

and ending on the date of the results announcement. The Board may not grant any Option to a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the GEM Listing Rules or any other code or securities dealing restrictions adopted by the Company.

5.9 The vesting period for Options shall not be less than 12 months. Options granted to Employee Participants may be subject to a shorter vesting period under the following circumstances:

- (a) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (b) grants of Options with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and
- (c) grants of Options with a total vesting and holding period of more than 12 months.

Subject as aforesaid and other provisions of the GEM Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) the achievement of any performance targets by the Company and/or the grantee before the right to exercise the Option in respect

of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. If any performance targets are imposed, the Board may assess such performance targets against key performance indicators for the Group, its subsidiaries, operating units, projects, geographical divisions or individuals, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; and such other goals as the Board may determine from time to time.

6. Grant of Options to Connected Persons

- 6.1 Any grant of Options and awards to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is an offeree of an Option) and shall comply with the relevant provisions of Chapter 23 of the GEM Listing Rules.
- 6.2 Where any grant of Options and awards to independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and awards granted (excluding any Options and awards lapsed in accordance with the terms of this Scheme 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, such further grant of Options and awards must be approved by Shareholders of the Company in general meeting. The Company must send a circular to the Shareholders. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rule 23.04 of the GEM Listing Rules.
- 6.3 Any change in the terms of Options and awards granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders for the Company in the manner as set out in Rule 23.04 of the Listing Rule if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).

7. **Exercise Price**

7.1 The Exercise Price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the Exercise Price shall not be less than whichever is the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant (which must be a business day);
- (ii) 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 Grant; and
- (iii) the nominal value of a Share on the Date of Grant,

provided that in no event shall the Exercise Price be less than the nominal value of a Share, and the Exercise Price shall be subject to adjustment in accordance with the provisions of Rule 12.

8. **Exercise of Options**

8.1 The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter.

8.2 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.

8.3 An Option shall be personal to the Option Holder and shall not be assignable or transferable, and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Option Holder may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder. Subject to the Stock Exchange granting the necessary waiver, a grantee may transfer any Options to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of this Scheme and comply with other requirements of Chapter 23 of the GEM Listing Rules. In the event of any such transfer, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

8.4 In order for the exercise of an Option to be effective, the Company shall, prior to the expiry of the Option Period, have received:

- (i) a written notice from the Option Holder 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; and
- (ii) payment in full of the aggregate Exercise Price for the number of Shares in respect of which the Option is being exercised.

Unless otherwise agreed between the Company and the Option Holder, within 21 days of the date of receipt of such notice (or within the time specified in Rule 8.5(iv) or (v), if the Option is exercised pursuant thereto; or within the time decided by the Board, if the authorised share capital of the Company is insufficient to allot the Shares in respect of such Option) and receipt of the certificate issued by the Auditor or independent financial adviser if so required by Rule 12, Shares in respect of such exercise shall be allotted and issued and a share certificate in respect thereof shall be issued to the Option Holder credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Option Holder share certificate(s) in respect of the Shares so allotted.

8.5 Subject to Rules 8.1, 8.2 and 17.4 and subject to the terms and conditions upon which the Option was granted, an Option may be exercised at any time during

the Option Period provided that:

- (i) if an Option Holder ceases to be an Eligible Person by reason of his/her/its death or being permanently disabled, and no termination of his/her/its contract of employment or service has occurred on any one or more grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, or has been convicted of any criminal offence involving his/her/its integrity or honesty, then his/her/its personal representative(s) may exercise his/her/its outstanding Option within twelve (12) months of such cessation or such period extended by the Board and any such Options not so exercised shall lapse and determine at the end of such period;
- (ii) if an Option Holder ceases to be an Eligible Person for any reason (including his/her/its employing company ceasing to be a member of the Group) other than other than his/her death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his/her employment to an affiliate company or the termination of his/her employment with the relevant member of the Group by resignation or culpable termination), the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (iii) if a general offer is made to all the Shareholders and such offers becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of the Shareholders (in the case of a scheme of arrangement), the Directors shall as soon as practicable notify the Option Holder accordingly. An Option Holder shall be entitled to exercise his/her/its outstanding Options at any time (in the case of a takeover offer) within one (1) month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company. To the extent that any Option has not been so exercised, it shall upon the expiry of such period lapse and determine;
- (iv) 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 our Company give notice thereof to all Option Holder and thereupon, each Option Holder (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two business days 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 Exercise 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 Option Holder credited as fully paid; and

- (v) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Option Holders on the same date as it gives notice of the meeting to the Shareholders and the Company's creditors, and thereupon each Option Holder shall be entitled, at any time not later than (i) the Option Period, (ii) the period of two (2) months from the date of such notice, or (iii) the date on which such compromise or arrangement is sanctioned by the court, whichever is the earlier, to exercise his/her/its outstanding Options in whole or in part. The Company shall as soon as possible and in any event no later than one (1) business day prior to the date of such general meeting, allot and issue such number of Shares to the Option Holders which fall to be issued on such exercise credited as fully paid. Subject thereto, all Options then outstanding shall lapse and determine upon such compromise or arrangement becoming effective.

8.6 The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's Articles of Association and the laws of Cayman Islands for the time being in force. The Shares to be allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the fully-paid, Shares in issue commencing from the date of allotment (or, if the date falls on a date when the register of members of the Company is closed, the first date of the re-opening of the register of members), and will entitle the Option Holder to participate in all

dividends or other distributions paid or made on or after date of allotment (or, if the date falls on a date when the register of members of the Company is closed, the first date of the re-opening of the register of members), other than any dividend or other distribution declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date. It will also entitle the holders to the same rights of the then existing fully paid Shares on voting, transfer and other rights, including those arising on a liquidation of the Company. Shares issued upon the exercise of an Option shall not carry rights until the registration of the Option Holder (or any other person) as the holder thereof.

9. **Lapse and cancellation of Options**

9.1 The right to exercise an Option (to the extent not already exercised) shall lapse immediately upon the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in Rule 8.5;
- (iii) subject to Rule 8.5(iv), the commencement of the winding-up of the Company;
- (iv) there is an unsatisfied judgment, order or award outstanding against the Option Holder or the Board has reason to believe that the Option Holder is unable to pay or have no reasonable prospect of being able to pay his/her/its debts;
- (v) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in this Scheme with respect to the exercise of the Option; or
- (vi) a bankruptcy order has been made against any director or shareholder of the Option Holder (being a corporation) in any jurisdiction.

9.2 A resolution of the Board or the board of directors of the relevant companies to the effect that contract of employment or service of an Option Holder has or has not been terminated on one or more of the grounds specified in Rule 9.1(iv) shall be conclusive and binding on the OptionHolder.

9.3 Notwithstanding anything in these Rules to the contrary, the Option Period shall

not be extended and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding 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 obligations under this Scheme in relation to such exercise.

9.4 Any cancellation of Options granted but not exercised must be approved by the Option Holder of the relevant Options in writing. Where the Company cancels Options granted to a grantee and makes a new grant to the same grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit approved by Shareholders in accordance with Chapter 23 of the GEM Listing Rules. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

9.5 No compensation shall be payable to the Option Holder upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Option Holder in such manner as it may consider appropriate in any particular case.

10. **Maximum Number of Shares for which Options may be Granted**

10.1 The maximum number of Shares which may be issued in respect of all options or awards to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

10.2 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit 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.

10.3 The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under this Scheme after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of this Scheme).

10.4 Any refreshment within any three year period must be approved by Shareholders of the Company subject to the following provisions:

(i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

(ii) the Company must comply with the requirements under Rules 17.47(6) and 17.47(7), and Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules or such other provisions as required under Rule 23.03C of the GEM Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.36(2)(a) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share..

10.5 The total number of Shares which may be issued in respect of all Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Options that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

10.6 The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Persons who may be granted such Options, the number and terms of the Options to be granted to each Eligible Persons, and the purpose of granting Options to the specified Eligible Persons with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Persons must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting

for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

11. **Maximum Entitlement of Each Eligible Person**

- 11.1 Where any grant of Options and awards to an Eligible Person would result in the Shares issued and to be issued in respect of all Options and awards granted to such person (excluding any Options and awards lapsed in accordance with the terms of this Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue, such grant must be separately approved by Shareholders of the Company in general meeting with such Eligible Person and his/her close associates (or associates if the Eligible Person is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Eligible Person, the number and terms of the Options and awards to be granted (and those previously granted to such Eligible Person in the 12-month period), the purpose of granting Options and awards to the Eligible Person and an explanation as to how the terms of the Options and awards serve such purpose. The number and terms of the Options and awards to be granted to such Eligible Person must be fixed before Shareholders' approval. In respect of any Options and awards to be granted, the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

12. **Adjustment**

- 12.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, right issue, sub-division or consolidation of Shares or reduction of share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the maximum number of Shares subject to this Scheme; and/or
- (ii) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (iii) the Exercise Price of each outstanding Option;

Where the Board determines that such adjustments are appropriate, the auditors or the independent financial adviser appointed by our Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) the aggregate Exercise Price payable by an Option Holder on the full exercise of any Option shall remain as nearly as practicable the same (but shall not be greater than) as it was before such adjustment;
- (b) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments;
- (d) any adjustment shall be made in accordance with the provisions of Chapter 23 of the GEM Listing Rules and supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time (including but not limited to supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes); and
- (e) any adjustment shall give the Eligible Persons the same proportion of equity capital, rounded to the nearest whole Share, as they were previously entitled to. In respect of any such adjustments, the auditors shall confirm to the Board in writing that the adjustments satisfy this requirement.

12.2 Notice of any adjustment(s) referred to in Rule 12.1 shall be given to the Option Holders by the Company.

12.3 The role of the Auditors or the independent financial adviser to the Company in Rule 12.1 is that of experts and not of arbitrators and their certification shall be final and binding (in the absence of manifest error) on the Company and the Option Holders.

12.4 The costs of the Auditors or the independent financial adviser appointed by the Company relating to the Scheme shall be borne by the Company.

13. **Share Capital**

- 13.1 The exercise of any Option shall be subject to the availability of sufficient authorized but unissued share capital of the Company and, where there is an insufficiency, the approval of the Company in general meeting of any necessary increase of the authorized share capital.

14. **Dispute**

- 14.1 The decision of the Directors in any dispute relating to an Option or matter relating to this Scheme shall be final and conclusive, subject to the prior receipt of a statement in writing from the Auditors or the independent financial advisors if so required by Rule 12.

15. **Alterations to this Scheme**

- 15.1 The Share Option Scheme may be altered in any respect by a resolution of the Board subject to the followings:
- (a) any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of grantee must be approved by the Shareholders of the Company in general meeting;
 - (b) any change to the terms of Options granted to a grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company, (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme;
 - (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules; and
 - (d) any change to the authority of the Directors or scheme administrators to alter the terms of this Scheme must be approved by Shareholders of the Company in general meeting.

16. **Early Termination**

The Company may by resolution in general meeting at any time terminate the operation of this Scheme. Upon termination of this Scheme as aforesaid, no further Options shall be offered but the provisions of this Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination

and not then exercised or in respect of which Shares are not yet issued to the grantee shall continue to be valid and exercisable subject to and in accordance with this Scheme.

17. **Miscellaneous**

- 17.1 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Option themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 17.2 The costs of establishing and administering this Scheme shall be borne by the Company.
- 17.3 Option Holders shall be entitled to receive copies of all notices, documents or other written communications sent by the Company to its Shareholders generally.
- 17.4 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and the place where the Company is incorporated and an Option Holder shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option before such grant or exercise. The Company shall not be responsible for any failure by an Option Holder to obtain any such consent or for any tax or other liability to which an Option Holder may become subject as a result of his/her/its participation in this Scheme.
- 17.5 Any notice or other communication between the Company and an Eligible Person or an Option Holder may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or as otherwise notified to the Eligible Person or Option Holder from time to time and, in the case of an Eligible Person or an Option Holder, his/her/its residential address as notified to the Company from time to time.
- 17.6 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served twenty-four (24) hours after the same was put in the post; and
 - (b) by an Eligible Person or an Option Holder shall not be deemed to have been received until the same shall have been received by the Company.

17.7 In no circumstances shall a person ceasing to be an Eligible Person for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his/her/its rights or benefits (actual or prospective) under any Options then held by him or otherwise in connection with this Scheme and by accepting an Option under this Scheme, such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).

17.8 There is no clawback mechanism to recover or withhold the remuneration (which may include any Options granted) to any grantees in any event.

18. **Governing Law**

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