

**HUISHENG INTERNATIONAL HOLDINGS LIMITED**

**惠生國際控股有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**SHARE OPTION SCHEME**

(Adopted by an ordinary resolution of the shareholders  
of the Company on [\*])

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## 1. DEFINITIONS

1.1 In this Scheme the following expressions shall have the following meanings:

<b>Adoption Date</b>	the date on which this Scheme is adopted upon fulfilment of the condition set out in paragraph 2.1;
<b>Associate</b>	shall bear the meaning as defined in the Listing Rules;
<b>Auditors</b>	the auditors for the time being of the Company;
<b>Board</b>	the board of Directors;
<b>Business Day</b>	any day on which the Stock Exchange is open for the business of dealing in securities;
<b>Closes Associate</b>	shall bear the meaning as defined in the Listing Rules;
<b>Companies Act</b>	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
<b>Company</b>	Huisheng International Holdings Limited (惠生國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability;
<b>Directors</b>	the directors of the Company for the time being or a duly authorised committee thereof;
<b>Eligible Employee</b>	any Employee Participant or Related Entity Participant;
<b>Employee Participants</b>	Directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies);
<b>Eligible Participants</b>	the persons belonging to any one of the categories below, who may be invited by the Directors to take up Options as referred to in

paragraph 4.1, and "Eligible Participant" shall be construed accordingly:

- (a) any Employee Participant(s);;
- (b) any Related Entity Participant(s); and
- (c) any Service Provider(s);

<b>General Scheme Limit</b>	has the meaning ascribed to it in paragraph 8.1;
<b>Group</b>	the Company and the Subsidiaries and " <b>member(s) of the Group</b> " shall be construed accordingly;
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People's Republic of China;
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>Offer</b>	an offer for the grant of an Option made in accordance with paragraph 4.4;
<b>Offer Date</b>	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant;
<b>Option</b>	an option to subscribe for the Shares granted pursuant to this Scheme;
<b>Option Holder</b>	any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in paragraph 6.4(a)) his Personal Representative;
<b>Option Period</b>	in respect of any particular Option, a period (which may not be longer than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Option Holder thereof and, in the absence of such determination, from the Offer Date of such Option to the earlier of (i) the date on which such Option lapses under the

Rule  
17.03(5)

provisions of paragraph 7; and (ii) 10 years from the Offer Date of that Option;

**Other Schemes**

other than this Scheme:

- (a) share schemes of the Company involving the grant by the Company (i) new Shares; or (ii) options over new Shares, to, or for the benefit of, specified participants under such schemes (which includes a grant of any such Shares or options to a trust or similar arrangement for the benefit of a specified participant);
- (b) share schemes of the Company that are funded by existing Shares;
- (c) share schemes of a principal subsidiary of the Company; or
- (d) any arrangement involving the grant of shares or other securities of the Company or a principal subsidiary of the Company (including options over any such shares or securities) which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17.01 of the Listing Rules;

**Performance  
Targets**

any one or more performance measures, or derivations of such performance measures that may be related to the individual Option Holder or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Service Providers, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Directors (or, as the case may be, the Remuneration Committee) in their sole discretion, including, without limitation, one or more of the criteria as specified in this Scheme;

**Personal  
Representative(s)**

the person or persons who, in accordance with the laws of succession applicable in respect of the death of an Option Holder (being an

individual), is or are entitled to exercise the Option granted to such Option Holder (to the extent not already exercised);

**Related Entity** any of the holding companies, fellow subsidiaries or associated companies of the Company;

**Related Entity Participant** any directors and employees of any Related Entity

**Remuneration Committee** the remuneration committee of the Board;

**Scheme** this Share Option Scheme in its present form or as may be amended from time to time in accordance with paragraph 13;

**Scheme Period** a period of ten (10) years commencing on the Adoption Date;

**Senior Manager** refers to a member of senior management disclosed in the annual report of the Company as required under Appendix 16 of the Listing Rules;

**Service Provider** any persons who provide services to the Group on the 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, which may include, inter alia, persons who work for the Company as independent contractors where the continuity and frequency of their services are akin to those of employees, provided that such Service Provider should exclude (i) placing agents or financial adviser providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

**Service Provider Sublimit** has the meaning ascribed to it in paragraph 8.1;

**Shares** shares of HK\$0.01 each in the ordinary share capital of the Company, or, if there has been a sub-division, consolidation, re-classification,

reduction or re-construction of the shares of the Company, shares being the ordinary shares of the Company as shall result from any such sub-division, consolidation, re-classification or re-construction;

**Stock Exchange** The Stock Exchange of Hong Kong Limited or other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Directors) on which the Shares are for the time being listed or traded;

**Subscription Price** the price per Share at which an Option Holder may subscribe for the Shares on the exercise of an Option, as determined in accordance with paragraph 5;

**Subsidiaries** the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the People's Republic of China or elsewhere, and "Subsidiary" shall be construed accordingly;

**Vesting Period** the vesting period as described in the Offer; and

**\$** Hong Kong dollars.

## 1.2 In this Scheme:

- (a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing one gender include both genders and the neuter and vice versa;

- (e) references to persons include bodies corporate and unincorporated;
- (f) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## **2. CONDITIONS**

2.1 This Scheme is conditional upon:

- (a) the passing of the necessary resolution to approve and adopt this Scheme in general meeting of the Company and to authorise the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the General Scheme Limit and Service Provider Sublimit to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme.

2.2 Reference in paragraph 2.1(b) to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to the fulfilment of any condition precedent or condition subsequent.

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

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

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

Rule  
17.03(1)



3.2 Subject to the requirements under the Listing Rules, this Scheme shall be administered by the Directors whose decision on all matters arising in relation to this Scheme or their interpretation or effect shall be final and binding on all persons who may be affected thereby.

3.3 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective until the date of expiry of the Scheme Period, after which period no further Options may be issued but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

Rule  
17.03(11)  
& (16)

3.4 An Option Holder shall ensure and, by accepting an Offer, shall be deemed to have represented and undertaken to the Company, that the acceptance of an Offer, the holding and exercise of his Option in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Option and the holding of such Shares are and will be valid and will comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require an Eligible Participant to produce such evidence as they may reasonably require for such purpose.

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

4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of this Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any Eligible Participant to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares at such Subscription Price as the Directors shall, subject to paragraph 9, determine.

Rule  
17.03(2)  
17.03A(1)

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 falls within any of the classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under this Scheme.

4.2 Without prejudice to paragraph 8.4 below, the making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates

must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Option Holder of an Option).

- 4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time and the Directors will mainly take into account of the experience of the Eligible Participants on the Group's business, the length of service of the Eligible Participant with the Group's business (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/ or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contribution the Eligible Participant has exerted and given towards the success of the Group and/ or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.
- 4.4 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares and the Option Period in respect of which the Offer is made and further 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 (and by no other person) within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date).
- 4.5 An Offer shall state, in addition to the matters specified in paragraph 4.4, the following:
- (a) the name, address and position of the Eligible Participant;
  - (b) the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
  - (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;
  - (d) the last date by which the Offer must be accepted (which shall not be later than 21 days from the Offer Date);

Rule  
17.03(2)

- (e) the procedure for acceptance;
- (f) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
- (g) any minimum period for which an Option must be held before it can be exercised;
- (h) the vesting schedule;
- (i) such other terms and conditions of the Offer as may be imposed by the Directors as are not inconsistent with this Scheme; and
- (j) a statement 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.

4.6 An Offer shall be deemed to have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such consideration shall in no circumstances be refundable.

Rule  
17.03(8)

4.7 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered. An Offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the Offer is duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted clearly stated herein together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof. Such consideration shall in no circumstances be refundable.

Rule  
17.03(8)

4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 4.6 or 4.7, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner as set out in paragraphs 4.6 or 4.7, it will be deemed to have been irrevocably declined.

4.9 The Option Period of an Option may not end later than ten (10) years from the Offer Date of that Option.

Rule  
17.03(5)

4.10 Options will not be listed or dealt in on the Stock Exchange.

4.11 For so long as the Shares are listed on the Stock Exchange:

Rule  
17.05

(a) the Company may not make any Offer after inside information has come to the knowledge of the Company until such inside information has been publicly announced in accordance with the Listing Rules. In particular, the Company may not make any Offer during the period commencing one month immediately before 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 approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement;

(b) the Directors may 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 for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

4.12 Unless the Directors otherwise determined, an Option Holder is not required to achieve any performance targets before the exercise of an Option granted to him or be subject to the clawback mechanism referred to in paragraph 4.13 below. Where any grant of Options to the Directors and/ or senior managers is without performance target and/ or clawback mechanism, the Remuneration Committee shall form a view as to why performance target and/ or clawback mechanism is not necessary and how the grants align with the purpose of this Scheme.

4.13 In respect of any Option which is performance linked, if any of the following events (“**Clawback Event**”) shall occur during an Option Period:

Rule  
17.03(19)

- (a) there being a material misstatement in the financial information of the Company which is related to the performance target that requires a restatement;
- (b) the Option Holder being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
- (c) if a grant of Option or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but not obliged to) by notice in writing to the Option Holder concerned (i) claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate, or (ii) extend the Vesting Period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to this paragraph 4.13 will be regarded as cancelled and the Options so calculated will be regarded as utilized for the purpose of calculating the General Scheme Limit and Service Provider Sublimit.

4.14 The Vesting Period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

Rule  
17.03F

- (a) an Employee Participant who is a Director or a senior manager specifically identified by the Company, the Remuneration Committee shall; or
- (b) an Employee Participant who is not a Director nor a senior manager specifically identified by the Company, the Directors shall

have the authority to determine a shorter Vesting Period in the following circumstances: (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer; (ii) grants to an Employee Participant

whose employment is terminated due to death or disability or occurrence of any out of control event; (iii) 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 Option would have been granted; (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve months; and (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria, if the Remuneration Committee (or, as the case may be, the Directors) consider that a shorter Vesting Period is appropriate to align with the purpose of this Scheme (after having taken into consideration the experience and seniority of the relevant Employee Participant, the number of shares held by such Employee Participant, the number of Shares being the subject of Options or share awards granted to him (or, where relevant, by his former employer), his remuneration package, his contributions to the Group and his performance level, any performance-based vesting conditions prescribed under the Offer and such other factors as the Remuneration Committee (or, as the case may be, the Directors) considers to be relevant or appropriate).

## 5. **SUBSCRIPTION PRICE**

Rule  
17.03(9)  
17.03E

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated on the Stock Exchange's daily quotations sheet on the Offer Date which must be a trading day;
- (b) the average closing price of the Shares as stated on the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares.

## 6. **EXERCISE OF OPTIONS**

- 6.1 An Option shall be personal to the Option Holder and shall not be transferable or assignable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third

Rule  
17.03(17)

party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by an Option Holder shall entitle the Company to cancel any Option granted to such Option Holder to the extent not already exercised, provided that where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by an Option Holder may be allowed to be transferred to a vehicle (such as a trust or a private company) for the benefit of the Option Holder and any family members of such Option Holder (for the purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of this Scheme and comply with the requirements of Chapter 17 of the Listing Rules. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

6.2 Unless otherwise determined by the Directors and subject to paragraphs 4.12, 4.13 and 4.14 and the requirements of the Listing Rules, an Option Holder shall hold an Option for such minimum period and achieve such performance targets as may be specified in the Offer before the exercise of an Option granted to him.

Rule  
17.03(6)  
& (7)

6.3 Subject to paragraphs 3.4 and 16.8 and the fulfillment of all terms and conditions set out in the Offer, including holding the Option for any minimum period and the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part. In order for the exercise of an Option to be effective, the Company must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder to exercise the Option, signed by and on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is intended to be exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof); and (ii) payment in full of the aggregate Subscription Price. Within 21 days (7 days in the case of an exercise pursuant to paragraph 6.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly allot and issue the relevant number of Shares to the Option Holder (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 6.4(a), to the estate of the Option Holder) fully paid and issue to the Option Holder (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for the Shares so allotted and issued.

6.4 Subject as hereinafter provided, an Option may (and may only) be exercised by the Option Holder at any time or times during the Option Period provided that:

- (a) if the Option Holder is an Employee Participant or Related Entity Participant and in the event of his ceasing to be an Employee Participant or Related Entity Participant by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s) or, as appropriate, the Option Holder may exercise the Option (to the extent which has been vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Option Holder was at work with the Company or the relevant Subsidiary or the Related Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively;
- (b) if the Option Holder is an Employee Participant or Related Entity Participant and in the event of his ceasing to be an Employee Participant or Related Entity Participant for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 7.1(c) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Option Holder may exercise the Option (to the extent which has been vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Option Holder was actually at work with the Company or the relevant Subsidiary or the Related Entity whether salary is paid in lieu of notice or not;
- (c) if 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 the 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 Option Holders 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 or such scheme of arrangement is formally proposed to shareholders in the Company, the Option Holder shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent which has been vested but not already exercised) to its full extent or to the extent specified in the Option Holder's notice to the Company in accordance with the provisions of paragraph 6.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be;

- (d) in the event of notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company during the Option Period, the Option Holder may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent which has been vested but not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and the Company shall allot and issue to the Option Holder the Shares in respect of which such Option Holder has exercised his Option not less than one (1) Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (e) if the Options are transferred to a vehicle in accordance with paragraph 6.1, the provisions of paragraphs 6.4(a), 6.4(b), 7.1(c) and 7.1(d) shall apply to the Option Holder and to the Options granted to such Option Holder, mutatis mutandis, as if such Options had been granted to the relevant Eligible Participant, and such

Rule  
17.03(10)

Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 6.4(a), 6.4(b), 7.1(c) and 7.1(d) shall occur with respect to the relevant Eligible Participant.

- 6.5 Shares to be allotted and issued 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 then existing fully paid Shares in issue on the date of allotment ("**Allotment Date**") and accordingly will entitle the holders thereof 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 if the record date therefor shall be before the Allotment Date. The Shares allotted and issued upon the exercise of an Option will not carry voting rights until completion of registration of the Option Holder as the holder of those Shares on the register of members of the Company.

Rule  
17.03(10)

## 7. **EARLY TERMINATION OF OPTION PERIOD**

- 7.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

Rule  
17.03(12)

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 6.4;
- (c) in respect of an Option Holder who is an Employee Participant or Related Entity Participant, the date on which the Option Holder ceases to be an Employee Participant or Related Entity Participant by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has been in breach of material terms of the relevant employment contract or service contract or has become bankrupt or insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty (other than an offence which in the opinion of the Directors does not bring the Option Holder or any member of the Group or the Related Entity into disrepute);
- (d) in respect of an Option Holder other than an Employee Participant or Related Entity Participant, the date on which the Directors shall at their absolute discretion determine that (aa) the Option Holder or his associate has committed any breach of

any contract entered into between the Option Holder or his associate on the one part and any member of the Group or any Related Entity on the other part; or (bb) the Option Holder 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 (cc) the Option Holder could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationships with the Group or by any other reason whatsoever, then the Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above;

- (e) the date on which the Option Holder commits a breach of paragraph 6.1, and the Directors exercise the Company's right to cancel any outstanding Option or part thereof granted; and
- (f) the date on which the Option is cancelled by the Directors as provided in paragraph 10.

7.2 A resolution of the Directors to the effect that the employment of an Option Holder has or has not been terminated on one or more of the grounds specified in paragraph 7.1(c) or that any event referred to in paragraph 7.1(d)(aa) has occurred shall be conclusive and binding on all persons who may be affected thereby.

7.3 Transfer of employment of an Option Holder who is an Eligible Employee from one member of the Group to another member of the Group shall not be considered cessation of employment. It shall not be considered cessation of employment if an Option Holder who is an Eligible Employee is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Option Holder.

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

Rule  
17.03(3)

8.1 The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options, awards or securities which have lapsed in accordance with the terms of this Scheme and any Other Schemes) to be granted under this Scheme and all options, awards or securities of any Other Schemes must not in aggregate exceed the following:

Rule  
17.03B

- (a) 10 per cent. of the total number of Shares in issue on the Adoption Date ("**General**

**Scheme Limit**"); and

- (b) within the General Scheme Limit, the sublimit on the total number of Shares that may be issued in respect of all Options, awards or securities to be granted to Service Provider under this Scheme and any Other Schemes adopted by the Group ("**Service Provider Sublimit**") shall not exceed 2 per cent. of the total number of Shares in issue,

PROVIDED THAT without prejudice to paragraphs 8.1(a) and 8.1(b), (i) the Company may issue a circular to its shareholders and seek approval of its shareholders in general meeting to refresh the General Scheme Limit and/ or the Service Provider Sublimit and the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under this Scheme and options, awards and securities to be granted under any Other Schemes must not exceed (for all Eligible Participants) 10 per cent./ (for Service Providers) 2 per cent. (as the case may be) of the Shares in issue as at the date of approval of the limit, and for the purpose of calculating the limit, options, awards and securities (including those outstanding, cancelled, lapsed or exercised in accordance with this Scheme and any Other Schemes) previously granted under this Scheme and any Other Schemes will not be counted; and (ii) the Company may seek separate shareholders' approval in general meeting to grant Options under this Scheme beyond the General Scheme Limit and/ or Service Provider Sublimit or, if applicable, the refreshed limit referred to in paragraph 8.1(a) and/ or (b) to Eligible Participants specifically identified by the Company before such approval is sought.

8.2 Where the refreshment of the General Scheme Limit (and/ or the Service Provider Sublimit) is sought:

Rule  
17.03C

- (a) within three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the Adoption Date): (i) at the general meeting for considering and approving the proposed resolution of such refreshment, 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) shall abstain from voting in favour of the relevant resolution 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 (or the successor provisions then prevailing); and

- (b) after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the Adoption Date), the requirements under paragraph 8.2(a) shall not be applicable.

8.3 Subject to paragraph 8.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options granted under this Scheme and the options, awards or securities granted under any Other Schemes (including exercised or outstanding options, awards or securities but excluding options, awards or securities lapsed in accordance with the terms of such schemes) to each Eligible Participant in any 12-month period shall not exceed 1 per cent. of the issued shares of the Company at the Offer Date (the "**Individual Limit**"). Where it is proposed that any Offer is to be made to an Eligible Participant which would result in the Shares issued and to be issued upon exercise of all options, awards or securities granted and to be granted to such person (including exercised, cancelled and outstanding options, awards or securities) in the 12-month period up to and including the relevant Offer Date to exceed his, her or its Individual Limit, such Offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant and his, her or its close associates (or associates of the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders in accordance with the Listing Rules.

Rule  
17.03(4)

8.4 Without prejudice to paragraph 4.2, where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options already granted under this Scheme and all options, awards and securities granted under Other Schemes (including Options exercised, cancelled and outstanding but excluding those options, awards and securities lapsed in accordance with the terms of such schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1 per cent., or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue, such further grant of Options must be approved by the shareholders of the Company in general meeting.

Rule  
17.04

8.5 Any change in the terms of Options granted to any Option Holder who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the shareholders of the Company in general meeting if the initial grant of the Options requires such approval (except where the changes take effect automatically under the terms of this Scheme).

8.6 For the purpose of seeking the approval of the shareholders of the Company under paragraphs 8.1, 8.2, 8.3, 8.4 and 8.5, the Company must send a circular to its shareholders containing the information required under the Listing Rules and those persons so required under the Listing Rules shall abstain from voting.

Rule  
17.04(5)

- (a) details of the number and terms of the Options to be granted to each Eligible Participant which must be fixed before the shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant of Options is to be taken as the date of grant for the purpose of calculating the exercise price;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is also an Option Holder of the proposed Options) as to whether the terms of the grant of Options are fair and reasonable and whether such grant of Options is in the interests of the Company and its shareholders as a whole, and their recommendation to the independent shareholders of the Company as to voting;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

## 9. **ADJUSTMENTS TO THE SUBSCRIPTION PRICE**

9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from any reduction, subdivision or consolidation of the Shares, or any capitalization issue or rights issue in which the Board considers adjustment necessary, the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion to be fair and reasonable to be made either generally or as regards any particular Option Holder, to:

Rule  
17.03(13)

- (a) the number of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Option Holder elects to waive such adjustment) the number of

Shares consisted in an Option or which remains consisted in an Option,  
and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Option Holder the same proportion of the issued shares of the Company for which such Option Holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (b) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment;
- (c) any such adjustment shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In respect of any adjustment referred to in this paragraph 9.1, the Auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange.

9.2 If there has been any alteration in the share structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from an Option Holder in accordance with paragraph 6.3, inform the Option Holder of such alteration and shall either inform the Option Holder of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Option Holder of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.

9.3 In giving any certificate under this paragraph 9, the Auditors or the independent financial adviser appointed under paragraph 9.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **10. CANCELLATION OF OPTIONS**

Rule  
17.03(14)

- 10.1 Subject to paragraph 6.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Option Holder and the approval of the Directors.
- 10.2 Where the Company cancels any Option granted to an Option Holder but not exercised and issues new Option(s) to the same Option Holder, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the General Scheme Limit, Service Provider Sublimit or the limits approved by the shareholders of the Company pursuant to paragraph 8.1(a) or 8.1(b).
- 10.3 The Options cancelled will be regarded as utilized for the purpose of calculating the General Scheme Limit and Service Provider Sublimit.

## **11. SHARES**

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the maximum number and classes of authorised shares of the Company. Subject thereto, the Directors shall make available sufficient authorised but unissued Shares of the Company to allot and issue the Shares on the exercise of any Option.

## **12. DISPUTES**

Any dispute arising in connection with the number of Shares the subject of an Option, or any adjustment under paragraph 9.1 shall be referred to the decision of the Auditors 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.

## **13. ALTERATION OF THIS SCHEME**

Rule  
17.03(18)

- 13.1 Subject to paragraphs 13.2 and 13.4, this Scheme may be altered in any respect by a resolution of the Directors except that:



- (a) the provisions of this Scheme as to the definitions of "Eligible Participants", "Option Holder", "Option Period" and "Scheme Period" in paragraph 1.1;
- (b) the provisions of this Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Option Holders (present or future) except with the prior sanction of a resolution of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Option Holders as if the Option Holders constituted a separate class of share capital and as would be required of the holders of the Shares under the articles of association for the time being of the Company for a variation of the rights attached to the Shares and the approval of the Board, the Remuneration Committee, the independent non-executive Directors and/ or the shareholders of the Company if the initial grant of the Option 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), except where the alterations take effect automatically under the terms of this Scheme.

- 13.2 Subject to paragraph 13.3, any alterations to the terms and conditions of this Scheme which are of a material nature shall be approved by the shareholders of the Company in general meeting except where the alterations take effect automatically under the existing terms of this Scheme.
- 13.3 Any change to the authority of the Directors or the administrators of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the shareholders of the Company in general meeting.
- 13.4 The terms of this Scheme and/or any Options amended pursuant to this paragraph 13 must comply with the applicable requirements of the Listing Rules and the relevant guidance of the Stock Exchange.

#### **14. TERMINATION**

The Company may by shareholders' resolution in general meeting or by Directors' resolution of the Board 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 force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

## **15. DISCLOSURE IN ANNUAL REPORTS, INTERIM REPORTS AND ANNOUNCEMENT**

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Rule  
17.06B,  
17.07,  
17.07A  
and  
17.09

The Board shall procure that (i) details of this Scheme and other required information are disclosed in the annual reports and interim reports of the Company, (ii) a summary of material matters relating to this Scheme reviewed and/ or approved by the Remuneration Committee during each financial year is disclosed in the corporate governance report of the Company and (iii) details of each grant of Options are disclosed by way of announcements in compliance with the Listing Rules in force from time to time.

## **16. MISCELLANEOUS**

- 16.1 This Scheme shall not form part of any contract of employment between the Company, any Subsidiary or any Related Entity and any Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional 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 any costs of the Auditors 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 An Option Holder shall be entitled to receive copies of all notices and other documents sent by the Company to holders of the Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares and for such

purpose, publication by the Company of the notices and other documents on the websites of the Company and the Stock Exchange shall be deemed to be due and sufficient delivery of the same to the Option Holder.

16.5 Any notice or other communication between the Company and an Option Holder may be given by sending the same by prepaid post or by personal delivery or such other electronic method as may be determined by the Board to:

- (a) in the case of the Company, its principal place of business in Hong Kong or such other addresses of electronic communications as notified to the Option Holder; and
- (b) in the case of the Option Holder, his address in Hong Kong or such other addresses of electronic communications as notified to the Company and accepted by the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company.

16.6 Any notice or other communication if sent by the Option Holder shall be irrevocable and shall not be effective until actually received by the Company.

16.7 Any notice or other communication if sent to the Option Holder shall be deemed to be given or made:

- (a) one (1) day after the date of posting, if sent by mail;
- (b) when delivered, if delivered by hand; and
- (c) upon dispatch without receipt of message of unsuccessful delivery, if sent by electronic communications.

16.8 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.

16.9 An Option Holder shall ascertain his own tax liabilities and pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.

16.10 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.

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

**\* \* \* *End of this Scheme* \* \* \***