

Adopted by the written resolution of the shareholders of the Company on 13 December 2019 and amended by an ordinary resolution of the shareholders of the Company on [•] June 2023

SANVO FINE CHEMICALS GROUP LIMITED

三和精化集團有限公司

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

Share Option Scheme

The purpose of the Amended 2019 Share Option Scheme is to enable the Group to grant Share Options to selected participants as incentives or rewards for their contribution to the Group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of the Group; and (ii) to attract and retain or otherwise maintain ongoing business relationships with them whose contributions are or will be beneficial to the long-term growth to the Group.

1. DEFINITIONS

1.1 In the Amended 2019 Share Option Scheme the following expressions, except where, the context otherwise requires, shall have the following meanings:

“2019 Share Option Scheme”	share option scheme of the Company adopted on 13 December 2019;
“Adoption Date”	the date on which the Amended 2019 Share Option Scheme is adopted by an ordinary resolution of the shareholders of the Company;
“Amended 2019 Share Option Scheme”	the 2019 Share Option Scheme as amended by incorporating the proposed share scheme amendments to be approved an ordinary resolution of the shareholders of the Company passed on [•] June 2023;
“Articles”	the articles of association of the Company (as amended from time to time);
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company for the time being or a duly authorised committee thereof;
“Business Day”	the day on which the Stock Exchange is open for the business of dealing in securities;

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Law of Hong Kong);
“Company”	SANVO Fine Chemicals Group Limited 三和精化集團有限公司, a company incorporated under the laws of the Cayman Islands with limited liability;
“Eligible Participant”	any person who satisfies the eligibility requirements set out in Clause 4;
“Grantee”	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 Clause 7.3(a)) his Personal Representative(s);
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Main Board”	the main board stock market operated by the Stock Exchange;
“Offer”	an offer for grant of a Share Option made in accordance with Clause 5.3;
“Offer Date”	the date on which an Offer is made to an Eligible Participant;
“Share Option”	a share option to subscribe for Shares granted pursuant to this scheme;

“Option Period”	in respect of any particular Share Option, a period (which may not end later than ten (10) years from the Offer Date) to be determined and notified by the Board to the Grantee thereof and, in the absence of such determination, from the date of acceptance of the Offer of such Share Option to the earlier of the date on which such Share Option lapses under the provisions of Clause 8 and ten (10) years from the Offer Date;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Share Option granted to such Grantee (to the extent not already exercised);
“Prospectus”	the prospectus to be issued by the Company on or about 27 December 2019 in connection with its application for listing of the Shares on the Main Board;
“Scheme Limit”	the total number of Shares which may be issued in respect of all share options and awards to be granted under the Amended 2019 Share Option Scheme, 2023 Share Award Scheme and any other schemes of the Company;
“Shares”	ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of a Share Option pursuant to Clause 6;
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;

“Takeover Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended from time to time and administered by the Securities and Futures Commission of Hong Kong;
“Termination Date”	close of business of the Company on the date which falls ten (10) years from the date of adoption of the 2019 Share Option Scheme (i.e. 13 December 2019); and
“\$” and “cents”	Hong Kong dollars and cents.

- 1.2 References to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).
- 1.3 References herein to Clauses are to clauses of the Amended 2019 Share Option Scheme unless the context requires otherwise.
- 1.4 The headings are inserted for convenience only and shall not affect the construction of the Amended 2019 Share Option Scheme.
- 1.5 Reference to a person includes any public body and any body of persons, corporate or unincorporated.
- 1.6 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender or the neuter include both genders and the neuter.

2. CONDITIONS

- 2.1 The Amended 2019 Share Option Scheme shall take effect subject to:
- (a) the passing of an ordinary resolution of the shareholders of the Company approving the proposed share scheme amendments to the 2019 Share Option Scheme; and

- (b) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal on the Main Board in the Shares which may fall to be issued pursuant to the exercise of the Share Options to be granted under the Amended 2019 Share Option Scheme.
- 2.2 Reference in Clause 2.1 to the Listing Committee of the Stock Exchange formally granting the approvals, listing and permission referred to therein shall include any such approvals, listing and permission which are granted subject to the fulfillment of any condition precedent or condition subsequent.
- 2.3 A certificate of a director of the Company that the conditions set out in Clause 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date shall be conclusive evidence of the matters certified.
- 2.4 If the condition 2.1(b) is not satisfied within twelve (12) calendar months from the Adoption Date:
- (a) the Amended 2019 Share Option Scheme shall forthwith determine;
 - (b) any Share Option granted or agreed to be granted pursuant to the Amended 2019 Share Option Scheme and any Offer shall be of no effect; and
 - (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Amended 2019 Share Option Scheme or any Share Option granted thereunder.

3. DURATION AND ADMINISTRATION

- 3.1 Subject to Clauses 2 and 15, the Amended 2019 Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Share Options may be offered but the provisions of the Amended 2019 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Amended 2019 Share Option Scheme.

- 3.2 The Amended 2019 Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Amended 2019 Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.
- 3.3 A Grantee shall ensure that any exercise of his Share Option under Clause 7 is valid and complies with all laws, legislations and regulations to which he is subject. The Board may, as a condition precedent to allotting shares upon an exercise of a Share Option, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.

4. DETERMINATION OF ELIGIBILITY

The Board may, at its discretion, invite any person belonging to any of the following classes of Eligible Participants, to take up Share Options to subscribe for Shares:

- (a) any full-time or part-time employees, executives or officers of the Company or any of its Subsidiaries (including persons who are granted share options under the Amended 2019 Share Option Scheme as an inducement to enter into employment contracts with the Group); and
- (b) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its Subsidiaries.

5. GRANT OF SHARE OPTIONS

- 5.1 The Board shall, in accordance with the provisions of the Amended 2019 Share Option Scheme, be entitled but shall not be bound, at any time within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as the Board may in its discretion select to subscribe for such number of Shares (being, subject to Clause 14, a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) at the Subscription Price as the Board shall, subject to Clause 9, determine.

5.2 The Board may not grant any share options after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong). In particular, the Company may not grant any share options 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 under 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 announcement of the results. No any share option may be granted during any period of delay in publishing a results announcement.

Further to the restrictions in the preceding paragraphs, the Company may not make any grant of share options on any day on which financial results of the Company are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

5.3 The Board shall forward to the Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

- (a) the Eligible Participant's name, address and occupation;
- (b) the date on which the offer is made to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (c) the date upon which an Offer must be accepted;
- (d) the date upon which a Share Option is deemed to be granted and accepted in accordance with the provisions of the Amended 2019 Share Option Scheme;
- (e) the number of Shares in respect of which the Share Option is offered;
- (f) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Share Option;
- (g) the date of the notice given by the grantee in respect of the exercise of the Share Option;
- (h) the method of acceptance of the Share Option which shall, unless the Board otherwise determines, be in accordance with the provisions of Amended 2019 Share Option Scheme.

5.4 A share option shall be personal to the grantee and shall not be assignable or transferable by the grantee and the grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any share option, provided that where permitted by applicable laws and regulations (including the Listing Rules). Subject to the Stock Exchange granting waiver, a grantee may transfer any share options to a vehicle (such as a trust or a private company) for the benefit of such grantee and family members of such grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Amended 2019 Share Option Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the Stock Exchange may require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

- 5.5 A Share Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptances of the Share Options duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. To the extent that the offer to grant a Share Option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.
- 5.6 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the share option.
- 5.7 Subject to Clause 10, upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with Clause 5.5 and, if appropriate, Clause 5.6, a Share 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 date of such acceptance.
- 5.8 The Option Period of a Share Option may not end later than ten (10) years from the Offer Date.
- 5.9 Vesting period of share options shall be no less than 12 months. Share options granted to Eligible Participants may be subject to a shorter vesting period under the following circumstances:
- (i) grants to an Eligible Participant whose employment is terminated due to death or disability or event of force majeure;
 - (ii) grants of share options with performance-based vesting conditions provided in the scheme document, in lieu of time-based vesting criteria; and
 - (iii) grants of share options with a mixed or accelerated vesting schedule such that the share options may vest evenly over a period of 12 months.

The Board is of the view that the discretion in allowing a shorter vesting period in each of the circumstances gives the Company more flexibility to provide competitive remuneration package to reward exceptional performers and grant share options in exceptional circumstances where justified, which is in line with the purpose of the Amended 2019 Share Option Scheme.

5.10 The Board may at its discretion specify any condition in the offer letter at the grant of the relevant share options which must be satisfied before the vesting of the share options. Save as determined by the Board and provided in the offer letter, there is no performance target which must be achieved before the vesting of the share options under the terms of the Amended 2019 Share Option Scheme. The Directors are of the view that the flexibility given to the Directors in relation to the performance targets will place the Group in a better position to reward the Eligible Participants and retain human resources that are valuable to the growth and development of the Group as a whole.

If performance targets are imposed upon grant of share options, the Board will have regard to the purpose of the Amended 2019 Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in term of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

6. SUBSCRIPTION PRICE

The Subscription Price of a Share in respect of any particular Share Option granted under the Amended 2019 Share Option Scheme shall, subject to any adjustments made pursuant to Clause 11, be such price as the Board may in its absolute discretion determine at the time of grant of the relevant share options (and shall be stated in the letter containing the Offer) but the exercise price shall be not less than the highest of:

- (a) 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;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five (5) Business Days immediately preceding the date of grant; and
- (c) the nominal value of the Shares.

7. EXERCISE OF SHARE OPTIONS

7.1 A Share Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Share Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this scheme may be registered). Any breach of the foregoing by a Grantee shall entitle the Company to cancel any outstanding Share Options or any part thereof granted to such Grantee.

Subject to any restrictions applicable under the Listing Rules, a share option may be exercised by the Grantee at any time during the exercise period to be determined by the Board and notified to the grantee in the notice of grant, in accordance with the terms of the Amended 2019 Share Option Scheme and the terms on which the share option was granted, which shall expire no later than 10 years from the date of grant.

7.2 Subject to Clauses 7.3(a), 7.3(b), 7.3(c), 7.3(e), 7.3(f), 7.5 and 17.8, a Share Option shall be exercisable in whole or in part and, other than where it is exercised to the full extent outstanding, shall be an integral multiple of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Auditors or the independent financial adviser to the Company pursuant to Clause 11.1, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee share certificate in respect of the Shares so allotted.

7.3 Subject as hereinafter provided, a Share Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

- (a) in the event that the Grantee, who is an employee of the Group at the time of the grant of such Share Option, ceases to be an employee of the Group by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries specified in Clause 7.5 has occurred, the Grantee or, as appropriate, his Personal Representative(s) may exercise the Share Options in full (to the extent not already exercised) within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death;
- (b) in the event that the Grantee, who is an employee of the Group at the time of the grant of such Share Option, ceases to be an employee of the Group by any reason other than death, ill-health, injury, disability or termination of his relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in Clause 7.5, the Grantee may exercise the Share Option up to the entitlement of the Grantee as at the date of cessation (to the extent not already exercised) in whole or in part within a period of one month (or such longer period as the Board may determine) from such cessation which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse (or such longer period as the Company may determine);

- (c) If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the Option Period, the Grantee shall be entitled to exercise the Share Options in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.
- (d) Where such grantee (i) ceases to be an employee of the Group by reason of the termination of his/her employment on grounds entitling the employer to effect such termination without notice or payment in lieu of notice; (ii) having been convicted of any criminal offence involving his/her integrity or honesty; (iii) has been guilty of persistent or serious misconduct; (iv) has committed any act of bankruptcy; (v) has made any arrangement or composition with his/her creditors generally; or (vi) having done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), any outstanding Share Options granted to such grantee (to the extent not being exercised) shall lapse immediately and automatically.

If the grantee ceases to be an Eligible Participant for any reason other than the above, the Share Option (to the extent not being exercised) shall lapse forthwith unless the Board determines otherwise in which event the Share Options (or such remaining part thereof) shall vest.

The Company does not have a policy of clawing back share options that have already been exercised.

- (e) in the event that 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 forthwith give notice thereof to all Grantees and thereupon, each Grantee (or his Personal Representative(s)) shall be entitled to exercise all or any of his Share Options (to the extent not already exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company

referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the Grantee credited as fully paid;

- (f) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given (such notice to be received by the Company no later than two (2) Business Days prior to the proposed meeting), exercise the Share Option to its full extent or to the extent specified in the notice and 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 meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Share Option credited as fully paid and register the Grantee as holder thereof.

With effect from the date of such meeting, the rights of all Grantees to exercise their respective Share Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Share Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

- 7.4 Share options granted under the Amended 2019 Share Option Scheme do not carry any right to vote in any general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company. The Shares to be allotted upon the exercise of the share options shall not carry any voting right until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to the aforesaid, the Shares allotted and issued upon the exercise of the share options will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully paid Shares in issue on the date of exercise.
- 7.5 If the Grantee ceases to be an Eligible Participant by reason of his resignation from the employment of the Group or termination of his employment or contract on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangements or has compromised with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or has been in breach of contract, his option will lapse and not be exercisable after the date of termination of his employment. A resolution of the Board to the effect that the employment of such Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive.

8. LAPSE OF SHARE OPTION

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

- (a) the expiry of exercisable period as determined by the Board;
- (b) occurrence of Clause 7(e)
- (c) the expiry of any of the periods referred to in Clauses 7.3(a), 7.3(b) and 7.3(c);
- (d) the date upon which the grantee ceases to be an Eligible Participant by reason as referred to in Clause 7.5;

- (e) the date on which the scheme arrangement of the Company referred to in Clause 7.3(f) becomes effective; and
- (f) subject to Clause 7.3(e), the date of commencement of the winding-up of the Company.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 The maximum number of Shares which may be allotted and issued in respect of the Amended 2019 Share Option Scheme and any other share scheme(s) of the Company shall not in aggregate exceed 42,750,000 Shares, being 10% of the Shares in issue as at the Adoption Date. Unless expressly approved by the Shareholders at general meeting and expressly allowed by the Stock Exchange, no any options or awards may be granted under any share schemes of the Company if the grant of such share options or awards would result in the scheme Limit being exceeded.

Any share options or awards lapsed in accordance with the terms of the respective share scheme of the Company will not be regarded as utilized for the purpose of calculating the Scheme Limit.

9.2 The Company may seek approval of the Shareholders at general meeting for refreshing the Scheme Limit after three (3) years from (i) the date of approving the Proposed Share Scheme Amendments; or (ii) the date for the shareholders, approval for the last refreshment (as the case may be). In any event, the total number of Shares which may be allotted and issued in respect of the Amended 2019 Share Option Scheme and any other share scheme(s) of the Company shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Any refreshment to the Scheme Limit within any three-year period must be approved by the Shareholders, where any controlling Shareholder and his 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 in accordance with the requirements under the Listing Rules. Such requirements are not applicable 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 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

For the purpose of seeking approval of the Shareholders at general meeting for refreshing the Scheme Limit, the Company must send a circular to the Shareholders containing the information as required by the Listing Rules from time to time, including the reason for the refreshment.

- 9.3 The maximum entitlement of share options of each Eligible Participant under the Amended 2019 Share Option Scheme shall not exceed 1% of the Shares of the Company (i.e. 4,275,000 Shares as at the Adoption Date). Where any grant of share options under the Amended 2019 Share Option Scheme to an Eligible Participant would result in the Shares issued and to be issued in respect of all share options and awards granted under the share schemes of the Company (including any other share schemes of the Company (as defined under the Listing Rules), where applicable, but excluding any share options and awards lapsed in accordance with the terms of the respective share scheme of the Company) to such person in the 12-month period up to and including the date of such grant exceeds 1% of the Shares in issue, such grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant 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 Participant, the number and terms of the share options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting share options to the Eligible Participant and an explanation as to how the terms of the share options serve such purpose. The number and terms of the share options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any share options 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 Listing Rules.

10. GRANT OF SHARE OPTIONS TO CONNECTED PERSONS

- 10.1 Subject to the terms in the Amended 2019 Share Option Scheme, each grant of share options to a Director, chief executive or substantial Shareholder, or any of their respective associates under the Amended 2019 Share Option Scheme shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval of the independent non-executive Directors (excluding independent non-executive Director who is a grantee).

10.2 Where any grant of share options under the Amended 2019 Share Option Scheme to independent non-executive Director or a substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all share options and awards granted under the share schemes of the Company (including the Amended 2019 Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable, but excluding any options and awards lapsed in accordance with the terms of the respective share scheme of the Company) to such person in the 12-month period up to and including the date of such grant exceeds 0.1% of the relevant class of shares in issue, such further grant of the share options must be approved by the Shareholders in general meeting. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company shall send a circular to its shareholders in accordance with the requirements of the Listing Rules.

10.3 The Company must comply with the requirements under Rules 13.40, 13.41, 13.42 and 17.04 of the Listing Rules. The Company must send a circular to the Shareholders, with such grant of share options being subject to the issue of a circular by the Company and such circular to be issued to the Shareholders pursuant to this sub-paragraph shall contain the following information:

- (i) details of the number and terms (including the exercisable period, vesting period of the share options, performance targets (if any), such amount, if any, payable on application or acceptance of the share options, basis of determination of subscription price and the rights attached to the share options, relevant rights with respect to voting and dividend on share options and clawback mechanism with respect to the share options (if any)) of the share options to be granted to each such substantial Shareholder or independent non-executive Director, or any of their respective associates, which must be fixed before the general meeting and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price as contemplated under Clause 6;

- (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) as to whether the granting terms of the share options are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, together with a recommendation from such independent non-executive Directors to the independent Shareholders as to voting; and
- (iii) all such information as may be required under the Listing Rules.

10.4 Parties that are required to abstain from voting in favour at the general meeting referred to in Clause 10.2 may vote against the resolution at the general meeting of the Company provided that their intention to do so has been stated in the circular to shareholders. Any such party may change his mind as to whether to abstain or vote against the resolution, in which case the Company must, if it becomes aware of the change before the date of the general meeting, immediately despatch a circular to its shareholders or publish an announcement notifying its shareholders of the change and, if known, the reason for such change. Where the circular is despatched or the announcement is published less than 14 days before the date originally scheduled for the general meeting, the meeting must be adjourned before considering the relevant resolution to a date that is at least 14 days from the date of despatch or publication by the chairman or, if that is not permitted by the Articles, by resolution to that effect.

10.5 Where a meeting is required to be adjourned by resolution, all shareholders are permitted to vote on that resolution. Any shareholders who would have been required to abstain from voting on any resolution that was to be proposed shall vote in favour of the resolution to adjourn the meeting.

10.6 The Company must have an appropriate procedure in place to record that any parties that must abstain or have stated their intention to vote against the relevant resolution in the circular or announcement have done so at the general meeting.

10.7 Any change in the terms of share options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 17.04 of the Listing Rule if the initial grant of the share options requires such approval (except where the changes take effect automatically under the existing terms of the Amended 2019 Share Option Scheme).

11. EFFECT OF ALTERATIONS TO CAPITAL

11.1 In the event of any alteration in the capital structure of the Company whilst any share option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of share capital of the Company (other than the Shares are issued as consideration or part consideration in a transaction), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the number of Shares subject to the share options so far as unexercised; and/or
- (ii) the exercise price of outstanding share options, a statement in writing from the independent financial adviser or the auditor of the Company that in their opinion the adjustments proposed satisfy the requirements set out in Rule 17.03(13) of the Listing Rules, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Amended 2019 Share Option Scheme for such Eligible Participant(s). The adjustment must give an Eligible Participant the same proportion of the Shares, rounded to the nearest whole Share, as that to which he was previously entitled, but no such adjustment may be made to the extent that a Share would be issued at less than its nominal value (if any).

11.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 11.1, the Company shall, upon receipt of a notice from a Grantee in accordance with Clause 7.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser to the Company obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser to the Company as soon as practicable thereafter to issue a certificate in that regard in accordance with Clause 11.1.

12. SHARE CAPITAL

The exercise of any share option shall be subject to the shareholders of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to allot the Shares on the exercise of share options.

13. DISPUTES

Any dispute arising in connection with the number of Shares the subject of a share option, any adjustment under Clause 11.1 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 and binding on all persons who may be affected thereby.

14. ALTERATION OF AMENDED 2019 SHARE OPTION SCHEME

The Amended 2019 Share Option Scheme Scheme may be altered by a resolution of the Board. However, provided that any amendments to the terms of the Amended 2019 Share Option Scheme shall comply with the applicable requirements of Chapter 17 of the Listing Rules, a prior approval of the Shareholders in general meeting by ordinary resolution is required for the following matters:

- (a) any alterations to the terms and conditions of the Amended 2019 Share Option Scheme which are material in nature or any alterations to the provisions of the Amended 2019 Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants;

- (b) any change to the authority of the Board to alter the terms of the Amended 2019 Share Option Scheme; and
- (c) any alteration to the aforesaid alteration provisions.

Any alteration to the terms and conditions of the Options granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/ or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee and/or the independent non-executive Directors and/or the Shareholders (as the case may be).

15. TERMINATION

The Company may by resolution in general meeting at any time terminate the Amended 2019 Share Option Scheme and in such event no further Share Options shall be granted but the provisions of the Amended 2019 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Amended 2019 Share Option Scheme. Share Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Amended 2019 Share Option Scheme.

16. CANCELLATION OF OPTION GRANTED

Any cancellation of Share Options granted but not exercised must be approved by the Grantees of the relevant Share Options in writing. For the avoidance of doubt, such approval is not required in the event that any Share Option is cancelled pursuant to Clause 7.1.

Where the Company cancels Share Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the Amended 2019 Share Option Scheme with available Scheme Limit approved by Shareholders in accordance with Chapter 17 of the Listing Rules. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit.

17. MISCELLANEOUS

- 17.1 The Amended 2019 Share Option Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any employee and the rights and obligations of any employee under the terms of his office or employment shall not be affected by his participation in the Amended 2019 Share Option Scheme or any right which he may have to participate in it and the Amended 2019 Share Option Scheme shall afford such an employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 17.2 The Amended 2019 Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Share Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 17.3 The Company shall bear the costs of establishing and administering the Amended 2019 Share Option Scheme, including any costs of the Auditors or the independent financial adviser to the Company in relation to the preparation of any certificate by them or providing any other service in relation to this scheme.
- 17.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares.
- 17.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.

- 17.6 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 17.7 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (a) one (1) day after the date of posting, if sent by mail; and
 - (b) when delivered, if delivered by hand.
- 17.8 A Grantee shall, before accepting an Offer or exercising his Share Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Share Option and the Company to allot and issue to him in accordance with the provisions of the Amended 2019 Share Option Scheme the Shares falling to be allotted and issued upon the exercise of his Share Option. By accepting an Offer or exercising his Share Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this sub-paragraph shall be condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Share Options.
- 17.9 A Grantee shall 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 Share Option.
- 17.10 By accepting an Offer an employee 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 or benefits under the Amended 2019 Share Option Scheme.
- 17.11 The Company shall provide a summary of the terms of the Amended 2019 Share Option Scheme to all Eligible Participants on joining the Amended 2019 Share Option Scheme (and a copy of the Amended 2019 Share Option Scheme document to any Eligible Participant who requests such a copy). The Company shall provide to all Eligible Participants all details relating to changes in the terms of the Amended 2019 Share Option Scheme during the life of the Amended 2019 Share Option Scheme immediately upon such changes taking effect.

17.12 The Amended 2019 Share Option Scheme and all Share Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

17.13 The Amended 2019 Share Option Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of this scheme and the Listing Rules, the Listing Rules shall prevail.

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