

**DATED THE [\*] DAY OF SEPTEMBER 2023**

**CENTRAL DEVELOPMENT HOLDINGS LIMITED**  
**(中發展控股有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

---

**SHARE OPTION SCHEME**

---

**Angela Ho & Associates**  
**Room 2507, 25/F.,**  
**Tower 1, Lippo Centre,**  
**89 Queensway,**  
**Hong Kong**

**Ref.: COMM230039/AH/au**

## CONTENTS

<u>Clause</u>	<u>Heading</u>	<u>Page</u>
1.	Definitions and Interpretation .....	1
2.	Conditions .....	5
3.	Duration and Administration .....	5
4.	Grant of Option .....	5
5.	Subscription Price .....	9
6.	Exercise of Options .....	9
7.	Performance Target.....	13
8.	Lapse of Option.....	13
9.	Maximum Number of Shares Available for Subscription .....	14
10.	Reorganisation of Capital Structure .....	16
11.	Share Capital .....	17
12.	Disputes.....	17
13.	Cancellation .....	17
14.	Alteration of the Scheme .....	17
15.	Termination.....	20
16.	Miscellaneous .....	20

**CENTRAL DEVELOPMENT HOLDINGS LIMITED**  
**(中發展控股有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**SHARE OPTION SCHEME**

**1. DEFINITIONS AND INTERPRETATION**

1.1 In the Scheme, the following expressions shall, unless the context otherwise requires, have the following meanings:

<b>"Adoption Date"</b>	[*] September 2023 (the date on which the Scheme is conditionally adopted by resolution of the Shareholders in its general meeting);
<b>"Articles"</b>	the articles of association of the Company, as amended from time to time;
<b>"associate"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Auditor"</b>	the auditor for the time being of the Company (acting as experts and not as arbitrators);
<b>"Board"</b>	the board of Director or a duly authorised committee thereof;
<b>"Board Lot"</b>	the board lot in which Shares are traded on the Stock Exchange from time to time;
<b>"Business Day"</b>	a day on which the Stock Exchange is open for the business of dealing in securities;
<b>"chief executive"</b>	has the meaning ascribed thereto in the Listing Rules;
<b>"Company"</b>	Central Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 475);
<b>"Companies Law"</b>	the Companies Law, (Cap. 22 Law 3 of 1961 as consolidated and revised) of the Cayman Islands and any amendments or other statutory modifications thereof;
<b>"Companies Ordinance"</b>	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (as amended);

<b>"connected person"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Directors"</b>	the directors of and the Company from time to time;
<b>"Eligible Relationship"</b>	the relationship between a Participant and the Company or any Subsidiary or any Invested Entity;
<b>"Financial Period"</b>	a year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) in relation to which the Company's consolidated financial statements and accounts are made up;
<b>"Grant Date"</b>	the date (which shall be a Business Day) on which the grant of an Option is made to (and subject to acceptance by) a Participant as determined in accordance with Clause 4.3;
<b>"Grantee"</b>	any Participant who accepts the grant of any Option in accordance with the terms of the Scheme or (where the context so permits) a person entitled under the Scheme to exercise any such Option in consequence of the death of the original Grantee;
<b>"Group"</b>	the Company and its Subsidiaries from time to time;
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the People's Republic of China;
<b>"HK\$"</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>"Invested Entity"</b>	any entity in which the Group holds any equity interests;
<b>"Listing Committee"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
<b>"Option"</b>	an option to subscribe for Shares granted to (and subject to acceptance by) a Participant pursuant to the Scheme and <b>"Options"</b> shall be construed accordingly;

<b>"Option Period"</b>	in respect of any particular Option, a period (which is of not more than 10 years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the grant letter to the Participant, and expiring on the earliest of the last day of the said period or such time as specified in the Scheme;	Rule 17.03(5)
<b>"Participant"</b>	any person being an employee (whether full-time or part-time including any executive Director), officer (including any non-executive Director and independent non-executive Director), substantial shareholder, consultant, agent, adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any Subsidiary or any Invested Entity, or any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons, or any company beneficially owned by any of the abovementioned category(ies) of persons, or any other person who satisfies the criteria set out in Clause 4.1;	Rule 17.03A
<b>"Scheme"</b>	this share option scheme in its present or any amended form;	
<b>"Scheme Mandate Limit"</b>	has the meaning ascribed thereto in Clause 9.1;	
<b>"Scheme Provider Sublimit"</b>	has the meaning ascribed thereto in Clause 9.2(a);	
<b>"Scheme Period"</b>	the period of 10 years commencing on the Adoption Date and expiring on the tenth anniversary of the Adoption Date;	Rule 17.03(11)
<b>"SFO"</b>	Securities and Futures Ordinances (Chapter 571, Laws of Hong Kong);	
<b>"Share(s) "</b>	ordinary share(s) of HK\$0.01 each (or such other nominal amount of such share(s) from time to time) in the capital of the Company;	
<b>"Shareholder(s)"</b>	holder(s) of Shares;	
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;	
<b>"Subscription Price"</b>	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 5, subject to adjustment in accordance with the Scheme;	

**"Subsidiary"** a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or according to the laws of Cayman Islands) of the Company, as the case may be, whether incorporated in Hong Kong, Cayman Islands or elsewhere; and

**"substantial shareholder"** has the meaning ascribed thereto in the Listing Rules.

- 1.2 The purpose of the Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or any Invested Entities, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group and the Invested Entities, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group and the Invested Entities.
- 1.3 In the Scheme any references, express or implied, to statutes, ordinances, statutory provisions or the Listing Rules shall be construed as references to those statutes, ordinances, statutory provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant statute, ordinances, statutory provision or rule.
- 1.4 References herein to any document (including the Scheme) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.5 References herein to Clauses are to clauses in the Scheme unless the context requires otherwise.
- 1.6 Headings are inserted for convenience only and shall not affect the construction of the Scheme.
- 1.7 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.8 In construing the Scheme:
- (a) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
  - (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

Rule  
17.03(1)

## **2. CONDITIONS**

The Scheme is conditional upon:

- 2.1 the passing of an ordinary resolution by the Shareholders in general meeting to approve and adopt the Scheme and the termination of the share option scheme adopted by the Company on 9 September 2016; and
- 2.2 the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, on the Stock Exchange the Shares which fall to be allotted and issued pursuant to the exercise of Options that may be granted under the Scheme.

## **3. DURATION AND ADMINISTRATION**

- 3.1 Subject to Clause 15, the Scheme shall be valid and effective for the Scheme Period, after which period no further Options will be granted or accepted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the Scheme Period and remain unexercised immediately prior to the end thereof shall continue to be exercisable in accordance with their terms of grant within the Option Period for which such Option are granted notwithstanding the expiry of the Scheme Period. Rule 17.03(11)  
Rule 17.03(5)
- 3.2 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.3 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme.

## **4 GRANT OF OPTION**

- 4.1 On and subject to the terms of the Scheme, the Board shall be entitled at any time and from time to time during the Scheme Period (provided that no Options shall be granted after the expiration of the Scheme Period or after the Scheme has been terminated (if applicable)) to grant (subject to acceptance by the Participant in accordance with the terms of the Scheme) to any Participant who, the Board may determine in its absolute discretion, has made valuable contributions to the business of the Group or Invested Entities based on his/ her/ its performance and/or years of service, or is regarded as valuable resources of the Group or Invested Entities based on his/ her/ its work experience, knowledge in the industry and other relevant factors, or is expected to be able to contribute to the prosperity, business development or growth of the Group or Invested Entities based on his/ her/ its business connection or network or other relevant factors, and subject to such terms and conditions (which shall not be inconsistent with the Scheme and the Listing Rules) as the Board may in its absolute discretion consider appropriate, an Option to subscribe for such number of Shares (as may be permitted under the terms of the Scheme) as the Board may determine at the Subscription Price, provided that no such grants shall be made Rule 17.03(2)

except to such number of Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising.

4.2 The Board may not grant any Option to any Participant if the Grant Date in respect of that Option occurs (or would, in the absence of this Clause 4.2, occur):

Rule 17.05

- (a) after any inside information has come to its knowledge, until such inside information has been published in accordance with the Listing Rules and SFO; or
- (b) within the period commencing one month immediately preceding the earlier of: (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any Financial Period; and (b) the deadline for the Company to publish an announcement of its results for any Financial Period, and ending on the date of such results announcement provided that the period within which no Option may be granted will cover any period of delay in the publication of the results announcement.

4.3 A grant of an Option shall be made to a Participant by letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Participant) is made) in such form as the Board may from time to time determine specifying, inter alia, the number of Shares comprised in and the Option Period in respect of the relevant Option and the Subscription Price and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and bound by the provisions of the Scheme. The grant shall be personal to the Participant concerned and shall not be transferable or assignable and shall remain open for acceptance by the Participant for a period of 28 days from the Grant Date, provided that no such grant shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated (if applicable).

Rule 17.03(17)

4.4 An Option shall be regarded as having been accepted when the duplicate of the grant letter, comprising acceptance of the Option, duly signed by the Participant together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the Company within the period referred to in Clause 4.3. The remittance shall not be refundable.

Rule 17.03(8)

4.5 Any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a Board Lot or an integral multiple thereof and such number is clearly stated in the duplicate letter and accepted by the Participant in the manner specified in Clause 4.4. To the extent that the grant of an Option is not accepted within 28 days from the Grant Date (or such shorter period as is mentioned in Clause 4.3) in the manner indicated in Clause 4.4, the grant will be deemed to have been irrevocably declined and shall lapse.



- 4.6 Where any grant of Options is proposed to be made to a Participant who is a Director or chief executive of the Company, or any of their respective associates, such grant must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options). Rule 17.04
- 4.7 Without prejudice to the generality of Clause 4.6, where any grant of Options is proposed to be made to a Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and which may fall to be issued upon the exercise of such Options proposed to be granted and all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Scheme and any other share option scheme(s) of the Company in the 12-month period up to and including the proposed Grant Date for such Options representing in aggregate over 0.1 per cent. (0.1%) of the number of Shares then in issue then such grant of Options must first be approved by the Shareholders in general meeting at which meeting the relevant Participant or Grantee, his/its associates and all the core connected persons of the Company shall abstain from voting on the relevant resolution, except that any such Participant or Grantee, his/its associates and all core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules. Rule 17.04(3)
- 4.8 The circular to be issued by the Company to the Shareholders pursuant to Clause 4.7 shall contain the following information: Rule 17.04(4)
- (a) the details of the number and terms of the Options to be granted to each selected Participant (which must be fixed before the shareholders' meeting). In respect of any Options to be granted, the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such Options; Rule 17.04(5)(a)
  - (b) from the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; Rule 17.04(5)(b)
  - (c) the information required under Rule 17.02(2)(c); and Rule 17.04(5)(c)
  - (d) the information required under Rule 2.17 of the Listing Rules; Rule 17.04(5)(d)
  - (e) any other information as may be required under the Listing Rules from time to time.
- 4.9 Any vote taken at the meeting to approve the grant of such Options referred to in Clause 4.7 must be taken by poll. The Company shall announce the results of the poll (including (a) the total number of Shares entitling the holder to attend and vote for or against the resolution at the meeting, (b) the total number of Shares entitling the holder to attend and vote only against the resolution at the meeting, (c) the number of Shares represented by votes for and against the relevant resolution) by way of an Rule 17.04(4)

announcement which is published in accordance with the Listing Rules on the Business Day following the meeting. The Company shall appoint its auditor, share registrar or external accountants who are qualified to serve as auditor for the Company as scrutineer for the votetaking and state the identity of the scrutineer in the announcement. The Company shall confirm in the announcement whether or not any parties that have stated their intention in the circular to vote against the relevant resolution or to abstain have done so at the general meeting.

4.10 Parties that are required to abstain from voting in favour at the general meeting referred to in Clause 4.7 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 the 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 the Shareholders or publish an announcement in accordance with the Listing Rules notifying the Shareholders of the change and, if known, the reason for such change. Where the circular is despatched or the announcement is published less than ten (10) Business 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 ten (10) Business 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.

Rule  
17.04(4)

4.11 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.

Rule  
17.04(4)

4.12 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.

4.13 Any proposed change in the terms of Options granted to a Participant who is an independent non-executive Director, or any of their respective associates, must first be approved by the Shareholders in general meeting at which meeting all the connected persons of the Company shall abstain from voting on the relevant resolution, except that any such connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules. Any vote taken at the meeting to approve the proposed change to the terms of such Options must be taken by poll.

Rule 17.04

4.14 Subject to Clause 4.7, where any grant of Options to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Participant (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over one per cent. (1%) of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to its Shareholders.

Rule  
17.03D

## **5. SUBSCRIPTION PRICE**

The Subscription Price shall be determined by the Board and notified to a Participant at the time the grant of the Option(s) (subject to any adjustments made pursuant to Clause 10) is made to (and subject to acceptance by) the Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the Grant Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and (c) the nominal value of the Shares.

Rule  
17.03E

## **6. EXERCISE OF OPTIONS**

6.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under this Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this Clause 6.1, forthwith revoke any Option granted to such Grantee (to the extent not already exercised) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damage against the Company or any of the Directors for such revocation provided that the Company has acted in good faith.

Rule  
17.03(17)

6.2 Subject to the terms and conditions of the grant, an Option may be exercised in whole or in part (but if in part only, in respect of a Board Lot or an integral multiple thereof) in the manner provided in Clause 6 by the Grantee (or, as the case may be, by his legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. For the purposes of determining the date on or by which an Option is or has been exercised under the Scheme, an Option shall be regarded as exercised when a duly completed notice of exercise complying with the terms of the Scheme, accompanied by the appropriate remittance, where necessary, has actually been received by the Company. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the independent financial adviser's or the Auditor's confirmation pursuant to Clause 10.1, the Company shall allot the relevant Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted.

6.3 Subject as hereinafter provided in the Scheme, the Option may be exercised by the Grantee at any time during the Option Period provided that:

- (a) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any Invested Entity, in the event of the Grantee ceasing to be such employee or officer for any reason, other than his death, ill health, disability or insanity or the termination of his employment or office on one or more of the grounds specified in Clause 8.4, then the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment or office with the Company or the relevant Subsidiary or any Invested Entity whether payment in lieu of notice is made or not (if applicable);
- (b) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any Invested Entity, in the event of the Grantee ceasing to be such employee or officer by reason of death and none of the events which would be a ground for termination of his employment or office specified in Clause 8.4 has occurred, the legal personal representative(s) of such Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or within a period of twelve (12) months from the date of death, (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option;
- (c) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any Invested Entity or any, in the event of the Grantee ceasing to be such employee or officer by reason of ill health, disability or insanity and none of the events which would be a ground for termination of his employment or office specified in Clause 8.4 has occurred, such Grantee or the legal personal representative(s) of that Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of six (6) months from the date of cessation which date shall be the last actual day of employment (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option;
- (d) if a general offer to acquire Shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to

exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse;

- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause 6.3(e)) and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than thirty (30) days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;
- (f) if an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Law, in connection with a proposed compromise or arrangement between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within twenty-one (21) days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent specified in such notice; and
- (g) in the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (or his or her legal personal representative(s)) on the same day as it gives notice of the meeting to, its shareholders or creditors to consider such compromise or agreement, and thereupon the Grantee (or his or her legal personal representative(s)) may, during the period commencing with the date of the aforesaid notice and ending with the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of an Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under this Scheme. The Board shall endeavour, subject to applicable laws and regulations, to procure that the Shares issued as a result of the exercise of the Options under this Clause 6.3(g) shall for the purpose of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other

Rule  
17.03 (10)

terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

- 6.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company. Rule 17.03(15)  
Rule 17.03(10)
- 6.5 A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof. Rule 17.03(10)
- 6.6 For the purposes of Clause 6.3(a) a Grantee shall not be regarded as ceasing to be in an Eligible Relationship with the Company or any Subsidiary or any Invested Entity if he ceases to be in an Eligible Relationship with the Company or any particular Subsidiary or any Invested Entity but at the same time he is involved in a different Eligible Relationship with the Company or any particular Subsidiary or another Subsidiary or any Invested Entity, as the case may be.
- 6.7 Save for the circumstances prescribed in sub-paragraph 6.8, the vesting period of the Options granted to any Participant shall not be less than 12 months. Rule  
17.03(6)  
17.03F
- 6.8 The Board shall have the authority to determine a shorter vesting period under the following specific circumstances:
- (a) grants of “make-whole” Options to new joiners to replace the share options they forfeited when leaving the previous employers;
  - (b) grants to an employee whose employment is terminated due to death or disability or occurrence of any out-of-control event;
  - (c) 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 had to wait for the subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;

- (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

## **7. PERFORMANCE TARGET**

Unless otherwise specified in the terms of any Grant Letter, the Grantee of the relevant Options to be granted thereunder is not required to achieve any performance targets under the Scheme.

Rule  
17.03(7)

## **8. LAPSE OF OPTION**

- 8.1 An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

Rule  
17.03(12)

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in Clause 6.3(a), 6.3(b), 6.3(c), 6.3(d) or 6.3(f);

- 8.2 subject to Clause 6.3(e), the earliest of the close of business on the second Business Day prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in Clause 6.3(e) or the date of the commencement of the winding-up of the Company;

- 8.3 save as otherwise provided in Clause 6.3(d) or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Law by the Court of the Cayman Islands of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- 8.4 where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any Invested Entity, the date on which the Grantee ceases to be such employee or officer by reason of the termination of his employment or office on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary or any Invested Entity. A resolution of the Board or the board of directors of the relevant Subsidiary or any Invested Entity to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 8.4 or that one or more of the grounds specified in this Clause 8.4 has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal

representative(s);

- 8.5 where the Grantee is in an Eligible Relationship (other than in a position as an employee or officer) with the Company or any Subsidiary or any Invested Entity, the date on which the Grantee ceases to be in such Eligible Relationship with the Company or any Subsidiary or any Invested Entity for any reason;
- 8.6 where the Grantee commits a breach of Clause 6.1, the date on which the Board shall exercise the Company's right to cancel the Option;
- 8.7 if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or
- 8.8 the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the grant of an Option, if any.

## 9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 The total number of Share which may be issued in respect of all Options and awards to be granted under the Scheme and any other share option scheme(s) and share award scheme(s) of the Company (the "**Scheme Mandate Limit**") as at the date of approval of this Scheme, must not, in aggregate, exceed 10 per cent. (10%) of the number of issued Shares from time to time. No Options may be granted if such grant will result in the limit referred to this paragraph 9.1 being exceeded.

Rule 17.03(3)  
Note  
Rule 17.03B

9.2 Subject always to the overall limit provided in Clause 9.1:

Rule 17.03(3)  
Note  
Rule 17.03B

(a) Within the Scheme Mandate Limit and subject to 9.2(b), the total number of Shares which may be issued in respect of all Options and awards to be granted to the Service Provider(s) under this Scheme and any other share option scheme(s) and share award scheme(s) must not, in aggregate, exceed 1 per cent. (1%) of the Shares in issue on the date which this Scheme is approved by the Shareholders (the "**Service Provider Sublimit**");

(b) The Listing Rules provide that the Company may seek approval of the Shareholders in general meeting for "refreshing" the Scheme Mandate Limit and/or the Service Provider Sublimit under the Scheme after three years from the Adoption Date (or the date of Shareholders' approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all options and awards to be granted under this Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10 per cent. (10%) of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit. For the purposes of seeking approval of the Shareholders under this sub-paragraph 9.2(b), the Company must send a circular to its Shareholders containing the information required under 17.03C(2) of the Listing Rules. Options or awards lapsed in accordance with the terms of the Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s)

Rule 17.03C(1)(a)

Rule 17.03C(2)



of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit;

(c) Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules and any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting.

Rule 17.03C(1)(b)

(d) The Listing Rules provide that the Company may seek separate approval by the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit, provided the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such Participant must be fixed before Shareholders' approval. For the purposes of seeking approval of the Shareholders under this sub-paragraph 9.2(d), the Company must send a circular to its Shareholders containing the information required under 17.03C(3) of the Listing Rules.

Rule 17.03C(3)

9.3 Where any grant of Options or awards to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to its Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (including Options previously granted to such Participant in such twelve (12)-month period), the purpose of granting Options to the Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

## 10. REORGANISATION OF CAPITAL STRUCTURE

Rule 17.03(13)

10.1 Subject to Clauses 9.1 and 9.2, in the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Scheme;
- (b) the number of Shares subject to outstanding Options; and/or
- (c) the Subscription Price in relation to each outstanding Option,

provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this Clause 10.1, other than any made on a capitalisation issue, an independent financial adviser or the Auditor must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso. The capacity and role of the independent financial adviser or the Auditor pursuant to this Clause 10.1 is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

10.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 10.1, the Company shall within 28 days after receipt of a confirmation of the independent financial adviser or the Auditor as referred to in Clause 10.1, inform the Grantee of such alteration and of any adjustment to be made in accordance with the independent financial adviser's or the Auditor's confirmation obtained by the Company for such purposes.

10.3 The following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (a) any issue of securities as consideration in a transaction such as acquisition or private placement of securities;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertible securities issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercised of any Options granted pursuant to the Scheme and any previous share option scheme); and

- (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of a market purchase effected on the Stock Exchange pursuant to a share purchase mandate (or any renewal thereof) given by the Shareholders in general meeting and for the time being in force.

## **11. SHARE CAPITAL**

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

## **12. DISPUTES**

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditor who shall act as experts and not as arbitrators and whose decision shall be final and binding.

## **13. CANCELLATION**

- 13.1 The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.
- 13.2 Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made with available Scheme Mandate Limit (and the Service Provider Sublimit) or the limits approved by the Shareholders pursuant to Clauses 9.1 and 9.2. Any Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

Rule  
17.03(14)

## **14. ALTERATION OF THE SCHEME**

- 14.1 Subject to Clauses 14.2, 14.4, 14.5 and 14.6, the Scheme may be altered in any respect by resolution of the Board except any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees, including (but without limitation) provisions as to:
  - (a) the definitions of "Grantee", "Option Period", "Participant" and "Scheme Period" in Clause 1.1; and

Rule 17.03(18)  
and Note 1

- (b) the provisions of Clauses 1.2, 3.1, 4.1, 4.3, 4.4, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 5, 6, 7, 8, 9, 10, 13, 15 and this Clause 14, and
- (c) any alterations to the terms and conditions of this Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of this Scheme;

shall be approved by a resolution of the Shareholders in general meeting to the advantage of Participants. Any change to the terms of the Option granted to a Grantee must be approved by the Board, the remuneration committee of the Company, 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 of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. Any alteration to the terms and conditions of this Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

14.2 No such alteration as referred to in Clause 14.1 shall operate to affect adversely the terms of issue of any Option granted to any Participant for acceptance prior to such alteration, except:

Rule  
17.03 (10)

- (a) in the case of the cancellation of any Option, with the consent of the Grantee concerned;
- (b) in the case of an alteration (other than as referred to in Clause 14.2(a)) affecting some but not all outstanding Options, with the written consent or sanction of such number of Grantees as shall together hold Options of the class affected in respect of not less than three fourths in nominal value of all Shares then the subject of such Options or with the sanction, given by resolution at a meeting of the relevant Grantees, passed by such majority of Grantees in respect of the nominal value of all Shares then the subject of the outstanding Options of the class affected as would be required at a meeting of the Shareholders under the Articles for a variation of rights attached to the Shares;
- (c) in the case of an alteration (other than as referred to in Clause 14.2(a)) affecting all Options, with the written consent or sanction of such number of Grantees as shall together hold Options in respect of not less than three fourths in nominal value of all Shares then the subject of such Options or with the sanction, given by resolution at a meeting of the Grantees passed by such majority of the Grantees in respect of the nominal value of all Shares then the subject of the outstanding Options as would be required at a meeting of the Shareholders under the Articles for a variation of rights attached to the Shares.

14.3 A meeting of Grantees for the purposes of considering a resolution to sanction an alteration, as envisaged in Clauses 14.2(b) and 14.2(c) may be convened by the Board and to any such meeting all the provisions of the Articles as to general meetings of the Shareholders shall apply, mutatis mutandis, as though the Options concerned were a

class of shares forming part of the capital of the Company, save that:

- (a) not less than 21 days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options (of the type affected) entitling them to the issue of one-third in nominal value of all Shares which would fall to be issued upon the exercise in full of all such Options then outstanding;
- (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll to one vote for each Share to which he would be entitled upon exercise in full of all his Options of the type concerned;
- (d) any Grantee present in person or by proxy may demand a poll;
- (e) if any such meeting is adjourned for want of a quorum such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum. At least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting but such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

14.4 Any change to the terms of Options granted to a Participant must be approved by the Board, the remuneration committee, the independent non-executive directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options or awards 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 such alterations take effect automatically under the existing terms of the Scheme.

Rule 17.03(18)  
Note 2

14.5 The amended terms of the Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Rule  
17.03(18)  
Note 3

14.6 Any change to the authority of the Board or the administrators of the Scheme (if any) to alter the terms of the Scheme must first be approved by the Shareholders in general meeting.

Rule  
17.03(18)  
Note 4

## 15. TERMINATION

- 15.1 The Company by resolution passed at a general meeting of its shareholders or at a meeting of the Board may at any time terminate the operation of the Scheme and in such event no further Options will be granted or accepted but the provisions of the Scheme shall remain in force in all other respects. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme. Rule 17.03(16)
- 15.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established after such termination. Rule 17.03(16)  
Note

## 16. MISCELLANEOUS

- 16.1 The Company shall bear the costs of establishing and administering the Scheme.
- 16.2 The Scheme shall not form part of any contract, agreement or arrangement governing the Eligible Relationship between the Company or any Subsidiary or any Invested Entity and any Participant and the rights and obligations of any Participant under the terms of such contract, agreement or arrangement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such Eligible Relationship for any reason.
- 16.3 The 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, other than in relation to the rights attached to the Options themselves, give rise to any cause of action at law or in equity against the Company.
- 16.4 A Grantee shall be entitled to receive for information only copies of all notices and other documents sent by the Company to holders of Shares generally.
- 16.5 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 at as notified by the Company from time to time.
- 16.6 Any notice or other communication served:
- (a) by the Company shall, if served by post, be deemed to have been served 24 hours after the same was put in the post or, if delivered by hand, be deemed to be served when delivered; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

- 16.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 16.8 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Scheme or the exercise of any Option.
- 16.9 A Grantee who is a Director may, subject to and in accordance with the Articles and subject as herein otherwise provided, notwithstanding his interest, vote on any Board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefits under the Scheme.
- 16.10 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

*(The rest of this page is intentionally left blank)*