



英皇娛樂酒店有限公司
Emperor Entertainment Hotel Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 296)

SHARE OPTION SCHEME

1. DEFINITIONS AND INTERPRETATION

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

“Acceptance Date”	means the date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date within 28 days inclusive of and from the Offer Date;
“Adoption Date”	means 19 September 2023, the date on which this Scheme was approved and adopted by resolution of the Company in general meeting;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Auditors”	means the auditors for the time being of the Company;
“Board”	means the board of Directors for the time being;
“Business Day”	means a day on which the Stock Exchange is open for the business of dealing in securities;
“close associate”	has the meaning ascribed to it in the Listing Rules;
“Commencement Date”	means, in respect of an Option, the date upon which such Option is deemed to be granted and accepted in accordance with paragraph 4.4;
“Company”	means Emperor Entertainment Hotel Limited, a company incorporated in Bermuda with limited liability;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“core connected person”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	means the director(s) of the Company for the time being;
“Effective Date”	means the date on which the conditions in paragraph 2.1 are fully satisfied and this Scheme becomes unconditional;
“Eligible Participant”	means any Employee Participant, Service Providers and the Related Entity Participants, which the Board considers, in their sole discretion, to have contributed or will contribute to the Group;

“Employee Participants”	<ul style="list-style-type: none"> (i) any employee (whether full time or part time) or director (including any executive director but excluding any non-executive director) of the Company or any Subsidiary, including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies); and (ii) any non-executive directors (including independent non-executive directors) of the Company or any Subsidiary; <p>as approved by the Board from time to time</p>
“Exercise Date”	means the date of the notice given by the Grantee in respect of the exercise of the Option in accordance with paragraph 7.1;
“Exercise Price”	means the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with paragraph 6;
“Expiry Date”	means, in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be more than ten (10) years from the Offer Date in respect of such Option;
“Grantee”	means any Eligible Participant who accepts the offer of the grant of an Option in accordance with the rules of this Scheme or (where the context so permits) a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Eligible Participant is, or are entitled to exercise the Option accepted by such Eligible Participant (to the extent not already exercised) in consequence of the death of such Eligible Participant;
“Group”	means the Company and the Subsidiaries, and “member(s) of the Group” shall be construed accordingly;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative

	Region of the People's Republic of China;
“IFA”	means an independent financial adviser;
"Listing Committee"	means the listing sub-committee of the Council of the Stock Exchange;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Offer Date”	means in respect of an Option, the date on which such Option is offered to any Eligible Participant;
“Option”	means an option to subscribe for Shares granted pursuant to this Scheme and for the time being subsisting;
“Option Period”	means in respect of any particular Option, the period, during which an Option may be exercised, and in any event shall not be commenced on any day within 12 months from the Commencement Date (unless the Board determine otherwise as set out in paragraph 4.3(e)) or from such later commencement date as the Board may decide in respect of each Option and expiring on the Expiry Date for such Option as particularly set out in paragraph 7.3;
“Related Entity”	means a holding company, a subsidiary of the holding company or an associated company of the Company;
“Related Entity Participants”	means any director and employee of a Related Entity who the Board considers, in its absolute discretion, have contributed or will contribute the Group;
“Service Providers”	means a person who provides services to the Company or any of its subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of Options to whom is in the interests of the long-term growth of the Group as determined by the Board, namely: <ul style="list-style-type: none"> (a) suppliers of service, including but not limited to, advisor, consultant, business or joint venture partner and contractor; and

- (b) a person or entity that engages in construction, renovation contractor, property agency, design and/or project development work to any member of the Group, including any other service providers as required in the ordinary course of business of the Group;

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the Auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity

“Service Provider Sublimit”	means a sublimit under the Scheme Limit for the maximum number of Options to be granted to the Service Providers under all share option schemes of the Company, as more particular set out in paragraph 9.1;
“this Scheme”	means the share option scheme, the rules of which are set out in this document in its present or any amended form;
“Scheme Limit”	has the meaning ascribed to it in paragraph 9.1;
“Shares”	means ordinary shares of the Company;
“Shareholder(s)”	means holder(s) of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued securities of the Company is primarily listed;
“Subsidiary” or “Subsidiaries”	means a subsidiary or subsidiaries (as defined under the Listing Rules) of the Company for the time being;
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules; and
“%”	means per cent.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience or reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter; and
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute.

2. CONDITIONS

2.1 This Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the Options granted under this Scheme;
- (b) the passing of an ordinary resolution by the Shareholders to approve and adopt this Scheme and to authorise the Directors to grant Options to subscribe for Shares under this Scheme and to allot, issue and deal in the Shares pursuant to the exercise of any Options; and
- (c) the compliance with applicable requirements under the Listing Rules..

2.2 If any of the conditions in paragraph 2.1 are not satisfied within 2 calendar months after the Adoption Date:

- (a) this Scheme shall forthwith determine;
- (b) any Option granted or agreed to be granted pursuant to this Scheme and any offer of such a grant 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 this Scheme or any Option.

3. PURPOSE, DURATION AND CONTROL OF SCHEME

3.1 The purpose of this Scheme is for the Group to attract, retain and motivate talented Eligible Participants to strive for future developments and expansion of the Group. This Scheme shall be an incentive to encourage the Eligible Participants to perform their best in achieving the goals of the Group and the Related Entities, and allow the Eligible Participants to enjoy the results of the Company attained through their efforts and contributions.

3.2 Subject to the fulfilment of conditions in paragraph 2 and paragraph 14, this Scheme shall be valid and effective for a period of ten (10) years commencing on the Effective Date, after which period no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options which are granted during the life of this Scheme may continue to be exercisable in accordance with their terms of issue.

3.3 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. In particular, the eligibility of each of the Eligible Participants shall be determined by the Board on a case-by-case basis. Generally:

(a) with respect to Employee Participants and Related Entity Participants,

- (i) his skills, knowledge, experience, expertise and other relevant personal qualities;
- (ii) his contribution made or expected to be made to the growth of the Group;
- (iii) his educational and professional qualifications, and knowledge in the industry;
- (iv) the period of employment with the Group; and
- (v) such other factors as the Board may at its discretion consider appropriate;

(b) with respect to the Service Providers, the Board will consider, amongst others, the following factors (as the case may be):

- (i) Suppliers of service, including but not limited to, advisor, consultant, business or joint venture partner and contractor
 - (1) the potential and/or actual scale and degree of cooperation with the Group;
 - (2) the length of business relationship with the Group;
 - (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or
 - (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility);
- (ii) A person or entity that engages in construction, renovation contractor, property agency, design and/or project development work to any member of the Group, including any other service providers as required in the ordinary course of business of the Group:
 - (1) the reliability and quality of the services provided;

- (2) the frequency, scale and nature of the services provided;
- (3) the length of business relationship with the Group;
- (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or
- (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

3.4 The eligibility of any of the Eligible Participants shall be determined by the Board from time to time in its sole discretion and on the basis of the Board's opinion as to his actual and/or potential contribution to the development and growth of the Group and benefits to the Group.

3.5 To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, when determining the eligibility of a Service Provider, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

4. OPTIONS

4.1 The Board shall, subject to and in accordance with the provisions of this Scheme and the Listing Rules, be entitled but shall not be bound, at any time on any Business Day following the Effective Date and before the tenth (10th) anniversary of the Effective Date, to offer to grant an Option to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions as set out hereto or as it may think fit provided that the maximum number of Shares in respect of which Options may be granted under this Scheme to any Eligible Participant (excluding any Options lapsed in accordance with the terms of this Scheme) in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue.

4.2 Notwithstanding paragraph 4.1 above, any further grant of Options to an Eligible Participant in excess of the 1% limit shall be subject to

- (i) separate approval by the Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting;
- (ii) the number and the terms of the Options to be granted to such Eligible Participant shall be fixed before the Shareholders' approval;
- (iii) in respect of any 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; and

- (iv) all relevant compliance requirements as set out in the Listing Rules having been complied with;

4.3 If the Board determines to offer an Option to an Eligible Participant in accordance with paragraph 4.1, the Board shall forward to the relevant Eligible Participant an offer document in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:

- (a) the Eligible Participant's name, address and occupation;
- (b) the Offer Date;
- (c) the Acceptance Date;
- (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
- (e) the vesting period for Options to be granted under this Scheme, which in any event shall not be less than 12 months unless the Board (or the remuneration committee of the Company where the Grantee is a Director and/or senior manager) determines to grant a shorter period for Options granted to Employee Participants under specific circumstances as set out in paragraph 4.3.1 below;
- (f) the number of Shares in respect of which the Option is offered;
- (g) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
- (h) the Expiry Date in relation to that Option;
- (i) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 4.4;
- (j) the clawback mechanism for the Company to recover or withhold the remuneration (including any Options granted or outstanding) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances at the Board's absolute discretion think fit (or, if none, a negative statement to that effect); and
- (k) such other terms and conditions relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the Listing Rules.

4.3.1 For the purpose of paragraph 4.3(e) above, "specific circumstances" means any of the following circumstances the Board (or the remuneration committee of the Company where the Grantee is a Director and/or senior manager), in its sole discretion, considers on a case-by-case basis giving rise to a shorter vesting period:

- (a) the grant of performance-based options (in lieu of time-based options);

- (b) the grant of compensatory options to Employee Participant whose options being forfeited when leaving their previous employers to join the Group;
 - (c) the grant of options in batches during a year for administrative and compliance reasons;
 - (d) the grant of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
 - (e) where there is an occurrence of any one of the triggering events set out in paragraphs 7.3 (a)-(e).
- 4.4 Offer of an Option shall be deemed to have been accepted by the Grantee when the duplicate of the relevant offer letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration (“**Option Price**”) for the grant thereof, is received by the Company by the Acceptance Date. Such remittance shall in no circumstances be refundable.
- 4.5 Any offer to grant an Option 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 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 Option in the manner as set out in paragraph 4.4. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.
- 4.6 The Options shall not be listed or dealt in on the Stock Exchange.
- 4.7 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save for where a waiver is granted from the Stock Exchange for the benefit of the Eligible Participant and his family members that would continue to meet the purpose of this Scheme and comply with other requirements of Chapter 17 of the Listing Rules). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee.
- 4.8 No Offer shall be made after inside information has come to the Company’s knowledge until the Company has announced the information pursuant to the requirements of the Listing Rules. In particular, and subject to the Listing Rules as amended from time to time, the Company shall not make any Offer during the period of 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 year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of results

announcement.

- 4.9 The Directors may not grant any Option to an Eligible Participant during the periods or times in which Directors or relevant employees (who is likely to possess inside information relating to the Company) of the Company are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.
- 4.10 In the cases referred to in paragraphs 5.1 to 5.2, where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Option Price (as defined in paragraph 4.4) paid by an Eligible Participant relating to such Option shall be refunded (without interest) by the Company.

5. OPTIONS TO CONNECTED PERSONS

- 5.1 Subject to paragraph 5.2, if the Board determines to offer to grant Options to a Director, chief executive of the Company or Substantial Shareholder or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors (excluding an independent non-executive Director who is the relevant Eligible Participant).
- 5.2 Where the Board proposes to grant any Option to an Eligible Participant who is a Substantial Shareholder or an independent non-executive Director, or any of their respective associates, and such Option which if exercised in full, would result in such Eligible Participant becomes entitled to subscribe for such number of Shares, when aggregated with the total number of Shares already issued and issuable to him or her pursuant to all Options granted (excluding Options lapsed in accordance with the terms of this Scheme) to him or her in the 12-month period up to and including the date of such grant representing in aggregate more than 0.1% of the relevant class of securities of the Company in issue on the date of such grant, such grant shall not be valid unless:
- (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules as amended from time to time, by ordinary resolution of the Shareholders in general meeting, at which the Eligible Participant concerned and his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the general meeting to approve such grant must be taken by poll;
 - (ii) compliance with the requirements under the Listing Rules; and
 - (iii) a circular containing the relevant details as prescribed by Chapter 17 of the Listing Rules has been despatched to the Shareholders.
- 5.3 Any change in the terms of any Option granted an Eligible Participant who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates shall not be valid unless:
- (i) such change has been duly approved, in the manner prescribed by the relevant

provisions of Chapter 17 of the Listing Rules, as amended from time to time, by ordinary resolution of the Shareholders in general meeting, at which the relevant Eligible Participant and his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting;

- (ii) compliance with the requirements under the Listing Rules; and
- (iii) a circular containing the relevant details as prescribed by Chapter 17 of the Listing Rules has been despatched to the Shareholders,

if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

6. EXERCISE PRICE

6.1 The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 10, be determined by the Board at its sole discretion and notified to the Eligible Participant and shall be no 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 on which an Option is granted, which must be a Business Day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date on which an Option is granted; and
- (c) the nominal value of a Share.

6.2 Notwithstanding the provision of paragraph 6.1 above, the Exercise Price in relation to each Option offered to an Eligible Participant shall not be issued at a discount to the nominal value of each Share.

6.3 Where an Option is to be granted as per the terms hereof, or where a change pursuant to paragraph 5.3, the date of the Board meeting proposing the relevant grant shall be taken to be the date of grant for the purpose of calculating the Exercise Price.

7. EXERCISE OF OPTIONS

7.1 Subject to paragraph 7.3, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by 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. If, immediately after the exercise of the Options by the Grantee, there shall remain such number of Option entitling the Grantee to exercise for such number of Shares that represent less than one board lot, then all such remaining outstanding Options must be exercised at the same time. Each such notice must be

accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' certificate pursuant to paragraph 10, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid with effect from the date of the allotment of the Shares ("**Allotment Date**") and issue to the Grantee certificates in respect of the Shares so allotted.

7.2 If applicable, the exercise of any Option shall be subject to the Shareholders in a general meeting of the Company approving any necessary increase in the authorised share capital of the Company.

7.3 Subject as hereinafter provided, an Option may be exercised by a Grantee at any time or times during the Option Period provided that:

(a) if the Grantee is under employment with the Company and/or any of the Subsidiaries and/or the Related Entity, in the event of the Grantee ceasing to be an Eligible Participant for the reason of such Grantee's resignation from the employment of the Company or of any of the Subsidiaries or the Related Entity or the termination of his or her employment by the Company or the relevant Subsidiary or the Related Entity or the expiry of his or her employment with the Company or the relevant Subsidiary or the Related Entity other than the termination of his or her employment on one or more of the grounds specified in paragraph 8.1(e) or the Related Entity ceasing to be a Related Entity, and subject to paragraph 8.1(a) the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent exercisable as at the date of cessation and not already exercised) for a period of time as the Board may determine following the date of such cessation, which date shall be the last actual working day with the Company and/or any of the Subsidiaries whether salary is paid in lieu of notice or not, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;

(b) if the Grantee is under employment with the Company and/or any of the Subsidiaries, in the event of the Grantee ceasing to be an Eligible Participant for the reason of his or her ill-health or retirement, the Grantee may, subject to paragraph 8.1(a), exercise the Option up to his entitlement at the date of cessation (to the extent exercisable as at the date of cessation and not already exercised) for such a period of time as the Board may determine following the date of such cessation, which date shall be the last actual working day with the Company and/or any of the Subsidiaries whether salary is paid in lieu of notice or not, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;

(c) If the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of the grantee's employment or directorship under paragraph 8.1(e) below arises, the personal representative(s) of the Grantee shall, subject to paragraph 8.1(a), be entitled to exercise the Option up

to the entitlement of such Grantee at the date of death (to the extent exercisable as at the date of his death and not already exercised) within a period of 12 months or such longer period as the Board may determine from the date of death, failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;

- (d) if a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, with appropriate changes; and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a Grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his option at any time thereafter and up to the close of such offer (and any revised offer) or the record date for entitlements under the scheme of arrangement, as the case may be. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above;
- (e) notwithstanding paragraph 7.1, in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it gives notice of the general meeting of the Company to the Shareholders and any Grantee may by notice in writing to the Company accompanied by a remittance of the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than four (4) Business Days prior to the proposed general meeting of the Company) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such 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 general meeting of the Company, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. Subject to the above, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the period referred to above; and
- (f) if, pursuant to the relevant laws of the jurisdictions in which the Company was incorporated, a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each Shareholder or

creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the Court provided that the relevant Options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her Options (to the extent exercisable as at the date of the notice and not already exercised) 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 to procure that the Shares issued as a result of the exercise of Options under this paragraph 7.3(f) shall for the purposes 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 does not become effective and is terminated or lapses in accordance with the terms thereof, the rights of Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this Scheme) (provided that the Option Period shall accordingly be extended by the length of the period of the suspension but in any event subject to the maximum period allowable under the Listing Rules) 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.

7.4 **Performance targets**

7.4.1 Unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the Option, there are no performance targets that need to be achieved by the Grantee before an Option could be exercised. Subject to the provisions of this Scheme and the Listing Rules, the Board may when making the offer of Options impose any conditions, restrictions or limitations in relation to the Option as it may at its absolute discretion think fit.

7.4.2 If and to the extent that any performance target is required to be achieved by any Grantee before an Option is capable of being exercised, particulars of such targets shall be specified in the offer of an Option. The Board may impose any conditions, restrictions or limitations in relation to the Options as it may at its absolute discretion think fit.

7.4.3 If performance targets are imposed on a Grantee upon the grant of Options, the Board will have regard to the purpose of this Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate,

- (a) business performance (e.g. revenue of the Group for the relevant financial year);
- (b) financial performance (e.g. net profit of the Group for the relevant financial year);

- (c) market capitalisation of the Company;
- (d) segments performance (e.g. revenue or profit of relevant business segment for the relevant financial year);
- (e) individual performance appraisal results for the relevant year (e.g. strategic driving abilities, talent development capabilities, interdepartmental cooperation capabilities, adherence to corporate culture);
- (f) discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal procedures) and/or
- (g) other targets to be determined in the sole discretion of the Board, the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

7.4.4 Where performance target requires, it should be consistent with the purpose of this Scheme to encourage and offer meaningful incentive to the Grantee to contribute and achieve such performance target thereby increasing the value and profitability of the Group in long-term.

7.5 **Clawback:** All Options granted or outstanding under this Scheme but not yet vested to or exercised by any Eligible Participants are subject to clawback, namely part or all the outstanding Options granted to the relevant Grantee but not yet vested or exercised may be forfeited upon occurrence of any of the following events as set out in paragraph 8.1(e) as the Board may at its absolute discretion think fit on a case-by-case basis.

- (a) there being a material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) the Grantee having been convicted of any criminal offence involving his or her integrity or honesty;
- (c) the Grantee having engaged in persistent or serious misconduct;
- (d) the Grantee appears either to be unable to pay or have no reasonable prospect to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, and/or
- (e) any such other circumstances to be determined in the sole discretion of the Board (or the remuneration committee where the arrangements relate to grants of Share Options to the Directors and/or senior managers of the Company) from time to time.

7.6 The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to as aforesaid, the Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company for the time being in

force and will rank pari passu with the fully paid Shares in issue as from the Allotment Date and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof is before the Allotment Date.

- 7.7 An Option may be exercised in accordance with the terms of this Scheme and such other terms and conditions upon which an Option was granted, at any time during the Option Period but in any event, not longer than 10 years from the date of grant.

8. LAPSE OF OPTION

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

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraphs 7.3(a), (b), (c) or (f);
- (c) the date on which the offer (or as the case may be, revised offer) referred to in paragraph 7.3(d) closes or the record date for entitlements referred to in paragraph 7.3(d), as the case may be;
- (d) subject to paragraph 7.3(e), the date of commencement of the winding-up of the Company;
- (e)
 - (i) with respect to an Employee Participant or Related Entity Participant, the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, or such other factors as specified under the Listing Rules or considered by the Board from time to time. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive,
 - (ii) with respect to a Service Provider, the Grantee ceases to be a service provider of the Company or any of its Subsidiaries or the business relationship between the Grantee and the Company or any of its Subsidiaries has been terminated, or such other factors as specified under the Listing Rules or considered by the Board from time to time;
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 4.7 or the Options are cancelled in accordance with paragraph 15;

- (g) the date on which the Eligible Participant ceases to be employed by the Company and/or any of the Subsidiaries (including his or her death or retirement) if the Eligible Participant is an employee of the Company and/or any of the Subsidiaries and ceases to be so employed by the Company and/or any of the Subsidiaries unless the Board has expressly determined a later date under paragraphs 7.3(a), (b) or (c); or
- (h) if the Directors at their absolute discretion determine that the Grantee (other than an employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group on the other part, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Subject to paragraphs 9.3 and 9.4, the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option or share award schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Limit**”), unless the Company obtains an approval from its Shareholders pursuant to paragraph 9.8 below. Within the Scheme Limit, the number of Shares which may be issued upon exercise of all options to be granted to the Service Providers must not in aggregate exceed 5% of the total number of Shares in issue as at the date of Shareholders' approval of the Scheme (the “**Service Provider Sublimit**”), which shall not be valid unless:

- (a) Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
- (b) a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, amongst others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable);

9.2 For the purpose of calculating the Scheme Limit and the Service Provider Sublimit under paragraph 9, Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and the Service Provider Sublimit.

9.3 If the Company conducts a share consolidation or subdivision after the Scheme Limit and/or the Service Provider Sublimit have been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under this Scheme and any other share option schemes of the Company under the Scheme Limit and/or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- 9.4 The Company may seek separate approval from its Shareholders in general meeting for granting Options to specified Eligible Participants beyond the 10% limit provided that the Options granted in excess of such limit are specially approved by the Shareholders in general meeting and the Eligible Participants are specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules for their approval. In respect of any options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.
- 9.5 The Scheme Limit and the Service Provider Sublimit referred to in paragraph 9.1 (or as increased in accordance with paragraphs 9.2 and/or 9.4, as the case may be) shall be adjusted, in such manner as the Auditors shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of consolidation or subdivision of the share capital of the Company but in any event shall not exceed the limit prescribed in paragraph 9.1.
- 9.6 Subject to paragraphs 9.6.3 and 9.6.4,
- 9.6.1 after three years from the date of Shareholders' approval for the last refreshment (or the adoption of this Scheme), the Scheme Limit and the Service Provider Sublimit may be refreshed by Shareholders' approval in general meeting;
- 9.6.2 within any three years from the date of Shareholders' approval for the last refreshment (or the adoption of this Scheme), any "refreshment" must be approved by Shareholders subject to the following provisions:
- (i) any controlling Shareholders (as defined under the Listing Rules) and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Listing Rules.
 - (iii) the requirements under sub-paragraphs 9.6.2(i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in the Listing Rules such that the unused part of the Scheme Limit and/or the Service Provider Sublimit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Limit and Service Provider Sublimit immediately before the issue of Shares, rounded to the nearest whole Share.
- 9.6.3 The Scheme Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshed Scheme Limit.
- 9.6.4 A circular containing the number of Options that were already granted under the existing Scheme Limit, the existing Service Provider Sublimit and the reason for the refreshment

must be sent to Shareholders.

10. CAPITAL RESTRUCTURING

10.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division, or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, excluding any alteration in the capital structure of the Company as a result of an issue of Shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any employee, consultant or adviser to the Group or in the event of any distribution of the Company's legal assets to its Shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its Shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

- (i) the number of Shares subject to the Option so far as unexercised;
- (ii) the Exercise Price or any combination thereof, as an IFA or the Auditors shall certify in writing, either generally or as regards any particular Grantee, to have, in their opinion, fairly and reasonably satisfied the requirement that any such adjustment shall be in compliance with the relevant provisions of the Listing Rules or such other guidelines or the supplemental guidance as may be issued by the Stock Exchange from time to time, but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value; or
- (iii) the maximum number of Shares as required under paragraph 9 .

10.2 Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the IFA or the Auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the IFA or Auditors shall be paid by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

11. SUFFICIENT SHARE CAPITAL

11.1 Subject to paragraph 7.2, the Board shall, if applicable, at all times set aside for the purposes of this Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

12. DISPUTES

- 12.1 Any dispute arising in connection with this Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the IFA or the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

13. ALTERATION OF THIS SCHEME

- 13.1 Subject to paragraph 13.2, the Board may from time to time in its absolute discretion waive or amend any terms of this Scheme at such time and in such manner as they deem desirable to the extent permissible under the provisions of the Listing Rules in relation to this Scheme and all applicable laws in respect thereof.
- 13.2 For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Participants and their respective associates abstaining from voting), the Board may not amend:
- (a) the terms and conditions of this Scheme which are of a material nature or any of the provisions of this Scheme relating to matters contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants or Grantees; and
 - (b) any provisions on the authority of the Board in relation to any alteration to the terms of this Scheme.
- 13.3 Any change to the terms of options granted to an Eligible 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 was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company, (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.
- 13.4 No such amendments shall be altered to the advantage of Grantees except with the prior approval of the Shareholders in general meeting (with Eligible Participants and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the Bye-laws for the time being of the Company for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that this Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to the Company.
- 13.5 The amended terms of this Scheme or the Options must comply with Chapter 17 of the Listing Rules and shall automatically take effect on all outstanding Options.

14. TERMINATION

- 14.1 The Company by resolution in a general meeting of the Company or the Board may at any time resolve to terminate the operation of this Scheme and in such event no further Options shall be offered but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Option granted but not yet exercised or in respect of which Shares are not yet issued to the Eligible Participant prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.
- 14.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme, and (if applicable) Options that become void and non-exercisable as a result of the termination, shall be disclosed in the circular to Shareholders seeking approval of the new scheme to be established after this Scheme or refreshment of the Scheme Limit after such termination.

15. CANCELLATION OF OPTIONS

- 15.1 The Board may at any time at its absolute discretion cancel any Option previously granted to, but not exercised by the Grantee.
- 15.2 No compensation shall be payable to the Grantee for cancellation of the Options granted but not exercised. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date on which the Option is cancelled by the Board as provided above.
- 15.3 Where the Board cancels Options and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 9 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit and Service Provider Sublimit.

16. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

- 16.1 The Board shall procure that details of this Scheme are disclosed in the Company's annual reports and interim reports in compliance with the Listing Rules in force from time to time.
- 16.2 The Board shall procure that views of the remuneration committee as to any grant of Option with a shorter vesting period as set out in Rule 17.03F of the Listing Rules are disclosed in the remuneration report or corporate governance report in compliance with the Listing Rules in force from time to time.

17. GENERAL

- 17.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the IFA or the Auditors, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).

- 17.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him or her, during normal office hours at the principal place of business of the Company in Hong Kong.
- 17.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and 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 or her address in Hong Kong as notified to the Company from time to time.
- 17.4 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or if delivered by hand, 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.
- 17.5 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consent under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by 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 or her participation in this Scheme.
- 17.6 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 17.7 This Scheme shall not form part of any contract of employment between the Company or any of the Subsidiaries and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his or her office or employment shall not be affected by his or her participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 17.8 The Company may by resolution in general meeting or the Board may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme in relation to any outstanding Options shall remain in full force and effect.

18. GOVERNING LAW

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