

NORTH ASIA STRATEGIC HOLDINGS LIMITED
北亞策略控股有限公司*
(Incorporated in Bermuda with limited liability)

SHARE OPTION SCHEME

Adopted by the shareholders of
North Asia Strategic Holdings Limited
on [*] 2023

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NORTH ASIA STRATEGIC HOLDINGS LIMITED
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(Incorporated in Bermuda with limited liability)

1. DEFINITIONS

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

“Adoption Date”	[*] 2023, the date on which this Scheme was adopted by resolutions of the Shareholders;
“associate”	has the meaning ascribed to it under the GEM Listing Rules;
“Auditor”	the auditor of the Company for the time being;
“Board”	at any time the board of Directors of the Company at that time or a duly authorised committee thereof;
“Business Day”	has the meaning ascribed to it under the GEM Listing Rules;
“chief executive”	has the meaning ascribed to it under the GEM Listing Rules;
“close associate”	has the meaning ascribed to it under the GEM Listing Rules;
“Company”	North Asia Strategic Holdings Limited (北亞策略控股有限公司), a company incorporated in Bermuda with limited liability, the securities of which are listed on GEM;
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“core connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“Date of Grant”	in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of this Scheme;
“Director(s)”	the director(s) of the Company;

**For identification purposes only*

“FAQ”	the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No. 072-2020) on Rule 23.03(13) of the GEM Listing Rules released by the Stock Exchange on 6 November 2020;	
“GEM”	GEM of the Stock Exchange;	
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;	
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme or (where the context so permits) a person entitled to any such Option pursuant to a permitted transfer in accordance with paragraph 5.1 or in consequence of the death of the original Grantee or the legal personal representative of such person;	23.03(2)
“Group”	the Company and its Subsidiaries;	
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;	
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;	
“Individual Limit”	the meaning ascribed thereto in paragraph 7.4;	
“Offer”	the offer of the grant of an Option made in accordance with paragraph 3;	
“Option”	an option to subscribe for Shares granted pursuant to this Scheme and for the time being subsisting;	
“Option Period”	in respect of any Option, the period (which shall not exceed 10 years from the Date of Grant) to be determined and notified by the Board to the Grantee at the time of making an Offer, subject to earlier termination in accordance with the provisions of this Scheme;	23.03(5)
“Participants”	any Director or employee of the Company or any Subsidiary, including any executive or non-executive director of the Company or any Subsidiary, and any employee whom the Board considers, at its sole discretion, have contributed or will contribute to the Group, and persons who are granted options under this Scheme as inducement to enter into employment contracts with the Company or any Subsidiary;	23.03A(1)
“Remuneration Committee”	remuneration committee as set up by the Board;	

“Scheme”	this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 7.1;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company, or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;
“share scheme”	has the meaning ascribed to it under the GEM Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph 4;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary undertaking (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly; and
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules;

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References herein to “paragraphs” are to paragraphs of this Scheme. Words importing the singular include the plural and vice versa, words importing a gender or the neuter include both genders and the neuter, and references to persons include bodies corporate or unincorporate.
- 1.3 References in this Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.4 References (express or implied) in this Scheme to ordinances and to statutory and regulatory provisions and the GEM Listing Rules shall be construed as references to those ordinances or statutory and regulatory provisions and the GEM Listing Rules as respectively amended or re-enacted or as their application is modified by other

provisions (whether before or after the Adoption Date) from time to time and shall include any provisions 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 ordinance, statutory or regulatory provision or the GEM Listing Rules.

1.5 In construing this 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.

2. PURPOSE, DURATION AND ADMINISTRATION

- 2.1 The purpose of this Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage longer term commitment of Participants to the Group and to better align their interests with those of Shareholders as a whole, which can contribute towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. 23.03(1)
- 2.2 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 shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Options under this Scheme, and the number of Shares and Subscription Price, subject to paragraph 4; (c) subject to paragraphs 8 and 11, make such adjustments to the terms of the Options granted under the Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the Scheme provided that the same are not inconsistent with the provisions of this Scheme and the GEM Listing Rules.
- 2.3 This Scheme shall take effect conditional upon the passing of the resolution by the Shareholders to approve and adopt this Scheme and to authorise the Board to grant Options at their absolute discretion under this Scheme and to allot and issue Shares pursuant to the exercise of any Options.
- 2.4 Subject to paragraphs 2.3 and 13, this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect 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. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period. 23.03(11)

- 2.5 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each employee, officer or Director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.
- 2.6 In determining the eligibility of each Participant, the Board shall consider the experience of the Participant on the Group's business, the length of employment or office of the Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards the Group's success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Participant to the Group. 23.03(2)
3. GRANT OF OPTIONS
- 3.1 On and subject to the terms of this Scheme and the GEM Listing Rules, the Board shall be entitled at any time within 10 years after the Adoption Date to make (subject to such conditions as the Board may think fit) an Offer to any Participant as the Board may at its absolute discretion select to take up an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. 23.03(11)

Condition

- (a) The grant of Options comprised in each Offer is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of the Option to be granted. If this condition is not satisfied on or before the 30th day after the Date of Grant, any Option granted or agreed to be granted pursuant to the Offer shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Offer.

Vesting period

- (b) Save for the circumstances prescribed in paragraph (c) below, every Grantee must hold an Option for at least 12 months before he can exercise such Option. 23.03(6)
23.03F
- (c) A Grantee may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of the Board or (where the Grantee is a director or a 23.03(11)
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member of the senior management of the Company) the Remuneration Committee in any of the following circumstances:

- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria. For example, this could be applicable where an employee or potential employee have exceptional skills or expertise and the performance target is to secure a specific particularly high value project or customer for the Group in less than 12 months;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 or more months. For example, this could be applicable where the Company has set quarterly or semi-annual performance targets and the Options would be vested in batches upon satisfaction of each of those targets in a way that the Options would be vested evenly over a period of 12 or more months instead of all being vested in one-go upon the expiry of a certain period; and
- (v) grants with a total vesting and holding period of more than 12 months (“holding period” refers to the period during which the Grantee is restricted from disposing of Shares that are issued upon the exercise of vested Options).

Performance targets

- (d) 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, such performance target shall be based on, amongst other things, length of continued employment with the Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance and appraisal on contribution to the Group. There may be instances where it may be impracticable or inappropriate to include specific performance targets as a vesting condition of Options. The Company considers that a grant of Options after taking into account actual performance and/or contribution of the individual Grantee and appropriate communication to the Grantee of such correlation would also have the effect of incentivising and rewarding that Grantee for their contribution. It is important that the Company retains that flexibility to tailor incentives and rewards to achieve the purpose of the New Share Option Scheme and to ensure that the Group can continue to offer consistent and market competitive remuneration packages to its employees.
- (e) Where a Grantee is an independent non-executive Director, the vesting of Options shall not be subject to performance target, unless the Board is satisfied that the existence of such target will not lead to any bias in the decision-making, or compromise the objectivity and independence of such Grantee in the course of performance by him of his duties as an independent non-executive Director.

23.03(7)

- 3.2 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Participant concerned for a period of 5 Business Days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Participant for whom the Offer is made has ceased to be a Participant.
- 3.3 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the GEM Listing Rules or by any other applicable rules, regulations or law.
- 3.4 An Offer is deemed to be accepted when the Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. 23.03(8)
- 3.5 Any Offer may be accepted in whole or in part provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within 5 Business Days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in paragraph 3.4, it shall be deemed to have been irrevocably declined.
- 3.6 A grant of Options may not be made after inside information (as defined under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to the Company's knowledge until such information has been announced. In particular, during the period commencing one month immediately before the earlier of: 23.05
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving the Company's results for any year, half-year or quarter-year period under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for the Company to announce its results for any year, half-year, or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules),
- and ending on the date of the results announcement, no Option may be granted.
- 3.7 Any grant of Options to a Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors (excluding those independent non-executive Directors who are the proposed Grantees of the Options in question). 23.04(1)
23.04(3)

- 3.8 A grant of Options to a Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates shall be subject to the prior approval by resolution of the Shareholders (voting by way of poll), if the Shares issued and to be issued in respect of all options and awards granted under any share scheme of the Company to such person together with the Options proposed to be granted (excluding any options and awards which have lapsed in accordance with the terms of the relevant share scheme) in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue on the date of such grant. The Company shall send a circular to the Shareholders in accordance with the GEM Listing Rules and the Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders. For the avoidance of doubt, the requirements for grant to a Director or chief executive of the Company set out in this paragraph 3.8 do not apply where the Participant is only a proposed director or chief executive of the Company. Note (2) to 23.04
- 3.9 Any proposed change in the terms of Options granted to a Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates (except where the changes take effect automatically under existing terms of this Scheme), must first be approved by the Shareholders in the manner set out in paragraph 3.8, except that any such Participant 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 GEM Listing Rules. Any vote taken at the meeting to approve the proposed change to the terms of such Options must be taken on a poll. Note (1) to 23.04
4. **SUBSCRIPTION PRICE**
- The Subscription Price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:- 23.03(9)
23.03E
- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Shares on the Date of Grant.
5. **EXERCISE OF OPTIONS**
- 5.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option or enter into any agreement to do so. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company. Notwithstanding the foregoing, a Grantee may transfer any Option to a vehicle (such as a trust or private company) for the benefit of himself and/or his family members (such as for the purpose of estate planning or tax planning) 23.03(17)
Note to 23.03(17)

purposes) provided that the Stock Exchange has prior to such transfer granted a waiver to allow such transfer.

5.2 An Option may, subject to the provisions of paragraph 8 and the fulfilment of all the terms and conditions set out in the Offer (if any), be exercised in whole or in part (but if in part only, it should be exercised in a whole board lot in which the Shares are traded on the GEM from time to time or an integral multiple thereof) by the Grantee (or, as the case may be, his legal personal representative(s)) 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. Each notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 20 Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditor's certificate or the certificate from the independent financial advisor to the Company pursuant to paragraph 8, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of the Shares so allotted.

5.3 Subject to any restrictions applicable under the GEM Listing Rules and notwithstanding the terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period:-

23.03(5)

- (a) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full;
 - (i) his legal personal representative(s) may exercise the Option (to the extent not already exercised) up to the Grantee's entitlement (whether vested or not) as at the date of death within the period of 6 months following his death unless paragraph (ii) or (iii) applies;
 - (ii) where any of the events set out in paragraph 5.3(d), (e), (f) and (g) occurs prior to the Grantee's death or within such period of 6 months following his death, his personal representative(s) may exercise the Option only within period set out in the applicable paragraphs;
 - (iii) (where the Grantee is an employee of the Group) if any of the events which would be a ground for termination of his employment as specified in paragraph 6(d) have arisen in respect of the Grantee at any time within a period of 3 years prior to the Grantee's death, the Company may at any time terminate the Option (to the extent not already exercised) and declare any notice of exercise of Option received (for which Shares have not been allotted) null and void and return in full the Subscription Price the Company has received in respect thereof;
- (b) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 6(d), the Option (to the extent not

already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable unless he continues to serve the Group in some other capacity (for example, as a director or employee of any member of the Group), in which case the Board may determine that the Option shall not lapse until such later date the Board determines to be appropriate;

- (c) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 6.1(d), his Option (to the extent not already exercised) shall lapse automatically and shall not be exercisable on or after the date of termination of his employment and any notice given by the Grantee to exercise the Option pursuant to paragraph 5.2 for which Shares have not been allotted shall be null and void and the Company shall return the Subscription Price the Company has received in respect thereof;
- (d) in the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 5.3(e) below) is made to all the Shareholders (or all such Shareholders other than those permitted by the relevant regulatory authority to be excluded from the general offer) and such offer becomes or is declared unconditional prior to the expiry of the Option Period of any Option, the Company shall forthwith notify all Grantees who then hold unexercised Options of their entitlements under this paragraph 5.3(d) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested portion, to such extent as may be specified by the Company, provided that where a court of competent jurisdiction has made an order to prohibit the offeror from acquiring Shares under the general offer, notwithstanding any notice given by the Company pursuant to this paragraph 5.3(d) the Option shall not become exercisable pursuant to that notice until after the discharge of that order;
- (e) in the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees who then hold unexercised Options of their entitlements under this paragraph 5.3(e) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect any unvested option, to such extent notified by the Company;
- (f) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' 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 Grantees who then hold unexercised Options of their entitlements under this paragraph 5.3(f) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by

the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested option, to such extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and

- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than a scheme of arrangement contemplated in paragraph 5.3(e) above), the Company shall forthwith give notice thereof to all Grantees who then hold unexercised Options of their entitlements under this paragraph 5.3(g) (and the Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested portion, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

5.4 The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and bye-laws of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted to the relevant Grantee on exercise of the Option and accordingly shall entitle the holders to receive all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted. 23.03(10)
(15)

5.5 Any Options granted but not exercised may be cancelled with the consent of the Grantee. For the avoidance of doubt, no consent is required to be given by the Grantee where an Option lapses in accordance with paragraph 6 below. Where the Company cancels Options and offers to issue new Options to the same Grantee, the issue of such new Options may only be made under this Scheme within the limits prescribed by paragraph 7, excluding the cancelled Options, and are otherwise granted in accordance with the terms of this Scheme. 23.03(14)
Note to 23.03(14)

6. LAPSE OF OPTION 23.03(12)

Without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:-

- (a) the expiry of the Option Period;

- (b) at the end of that date or the expiry of any of the periods referred to in paragraph 5.3 after which the Option shall cease to be exercisable;
- (c) the date of the commencement of the winding-up of the Company;
- (d) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 6(d) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s). Transfer of employment or directorship of a Grantee from one member of the Group to another member of the Group shall not be considered a termination of employment or directorship; and 23.03(19)
- (e) the date on which the Grantee commits a breach of paragraph 5.1.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 7.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any options or awards granted under any other share schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**"). The Scheme Mandate Limit may be refreshed with the approval of Shareholders in general meeting, but no more frequently than permitted under Rule 23.03C of the GEM Listing Rules. The total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any options or awards granted under any other share schemes of the Company under the limit as refreshed must not exceed 10% of the Shares then in issue as at the date of the Shareholders' approval of the refreshed limit. Options lapsed under this Scheme and options or awards lapsed under other share schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit and the limit as refreshed. 23.03(3)
23.03B(1)
Note (1) to
23.03B(2)
23.03C(1)
23.03C(2)
- 7.2 The maximum number of Shares subject to a Scheme Mandate Limit shall, notwithstanding the terms of the resolution of Shareholders in general meeting approving such Scheme Mandate Limit, be adjusted proportionately on the effective date of any consolidation or sub-division of Shares subsequent to the date of passing of that resolution, provided that such maximum number of Shares as a percentage of the total number of Shares in issue immediately before or after such effective date shall be the same, other than for rounding to the nearest whole Share.
- 7.3 Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:- 23.03C(3)

- (a) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought, provided that the number and terms of the Options to be granted must be fixed before such Shareholders' approval; and
- (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular.

7.4 Where any further 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 person under this Scheme and any other share scheme of the Company (excluding any options and awards lapsed in accordance with terms of the share scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (the “**Individual Limit**”), such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the GEM Listing Rules. 23.03(4)
23.03D(1),
(2)

8. REORGANISATION OF CAPITAL STRUCTURE

8.1 In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:- 23.03(13)

Note to
23.03(13)

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option(s),

or any combination thereof, provided that:-

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph 8.1(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in

accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the FAQ and any future guidance/ interpretation of the GEM Listing Rules 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 a price less than its nominal value.

- 8.2 The Company shall engage the Auditor or an independent financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under paragraph 8.1 (other than adjustment made on a capitalisation issue) satisfy the requirements set out in paragraphs 8.1(a) and 8.1(b) above. The capacity of the Auditor or independent financial advisor (as the case may be) in this paragraph 8.2 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 Auditor or independent financial advisor (as the case may be) shall be borne by the Company.
- 8.3 If there has been any alteration in the capital structure of the Company as referred to in paragraph 8.1, the Company shall within 28 days after receipt of a confirmation of the independent financial advisor or the Auditors as referred to in paragraph 8.2, inform the Grantee of such alteration and of any adjustment to be made.
- 8.4 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved or refreshed by the Shareholders, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all share schemes of the Company under the Scheme Mandate Limit shall automatically be proportionately adjusted provided that such maximum number of shares 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. SHARE CAPITAL

- 9.1 The exercise of any Option shall be subject to the Shareholders 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.
- 9.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company. 23.03(10)

10. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares that fall to be issued upon exercise of an Option, the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditor or the independent financial advisor to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and

binding on the Company and the Grantees. The costs of the Auditor or the independent financial advisor to the Company shall be shared equally between the Company and the relevant Grantee.

11. ALTERATION OF THIS SCHEME

The specific provisions of this Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of this Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any change to the terms of any Options shall only take effect after approval of the change is given by the Board, the Remuneration Committee, the independent non-executive Directors (as a group) and/or the Shareholders if the grant of that Option was approved by it or them (or their predecessors in that role) . The preceding sentences of this paragraph 11 do not apply to alterations taking effect automatically under the existing terms of this Scheme. The Scheme so altered must comply with Chapter 23 and other relevant requirements of the GEM Listing Rules.

23.03(18)

Notes to
23.03(18)

12. CANCELLATION

12.1 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 at its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of paragraph 5.1, the Board may cancel any outstanding Option without the relevant Grantee's agreement.

23.03(14)

Note to
23.03(14)

12.2 Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new options may only be made under a scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

13. TERMINATION

The Company by ordinary resolution in general meeting, or the Board, may at any time terminate this Scheme and in such event no further Options may be offered or granted but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of Options which are granted during the life of this Scheme (to the extent necessary to give effect to the exercise of such Options) and which remain unexercised or which are exercised but the Shares in respect of such exercised Options have not been issued to the Grantees yet immediately prior to the termination of the operation of this Scheme.

23.03(16)

14. MISCELLANEOUS

14.1 The Company shall bear the costs of establishing and administering this Scheme.

14.2 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.

- 14.3 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, other than notices and documents which are uploaded to the website of the Stock Exchange and/or the Company.
- 14.4 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 for the time being and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.
- 14.5 Any notice or other communication served by post:-
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same was received by the Company which shall notify such Grantee of its receipt of such notice or communication.

Any notice or other communication served by either party by hand shall be deemed to be served when delivered.

- 14.5A Any notice or other communication between the Company and a Grantee may be given by sending the same by email to, in the case of the Company, cosec@nasholdings.com and, in the case of a Grantee who is an employee of the Company or any Subsidiary, his office email address and in the case of any other Grantee, his email address as notified to the Company from time to time. Any notice or other communication served by email shall be deemed to be served when delivered.
- 14.6 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 his Option. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of the participation in this Scheme or the exercise of any 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 this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to above or to pay tax or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company.
- 14.7 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Options to Participants and to determine the Subscription Price, to any of the Directors or any committee established by the Board from time to time.

- 14.8 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any employee or director and the rights and obligations of any employee or director under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an employee or director no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 14.9 No Grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option.
- 14.10 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

- End of Scheme-