



ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

能源國際投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

SHARE OPTION SCHEME

* For identification purpose only

SHARE OPTION SCHEME

1. DEFINITIONS AND INTERPRETATION

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

“acting in concert”	having the meaning ascribed thereto under the Takeovers Code;
“Adoption Date”	the date on which the adoption of this Scheme is approved by the Shareholders at a general meeting of the Company;
“Applicable Laws”	any relevant laws and regulations, including those of Hong Kong and overseas jurisdictions as may be applicable;
“Articles”	the articles of association of the Company;
“Associate(s)”	having the meaning ascribed thereto under the Listing Rules;
“Auditors”	the auditors of the Company;
“Board”	the board of Directors (or, where the context requires, a duly authorised committee thereof);
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities;
“Close Associate(s)”	having the meaning ascribed thereto under the Listing Rules;
“Company”	Energy International Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange with stock code 353;
“Connected Person(s)”	having the meaning ascribed thereto under the Listing Rules;
“Controlling Shareholder(s)”	having the meaning ascribed thereto under the Listing Rules;
“Core Connected Person(s)”	having the meaning ascribed thereto under the Listing Rules;

“Date of Grant”	the date on which an Offer is made to an Eligible Participant, which must be a Business Day;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	the participants eligible to participate in the Scheme, namely, the Employee Participants and the Related Entity Participants;
“Employee Participant(s)”	one category of participants eligible to participate in the Scheme in accordance with the terms of the Scheme, being directors (including independent non-executive Directors) or employees (whether full time or part time) of the Company or its Subsidiaries, including persons who are granted Options as inducement to enter into employment contract with the Group;
“Exercise Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option, subject to paragraph 5 of the Scheme;
“Grantee(s)”	any Eligible Participant(s) who accept(s) an Offer in accordance with the terms of the Scheme (including, where the context so permits, the Personal Representative(s) of the original Grantee(s));
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Offer”	an offer of the grant of an Option made in accordance with paragraph 4 of the Scheme;

“Offer Letter”	a document containing an Offer to an Eligible Participant pursuant to the terms and conditions of the Scheme;
“Option Period”	a period to be determined and notified by the Board to the Grantee during which the Option may be exercised and in any event shall not be more than 10 years commencing on the Date of Grant and expiring on the last day of such period subject to the provisions for early termination or lapse as contained in paragraph 11 of the Scheme;
“Option(s)”	the right granted under the Scheme to subscribe for the Share(s) in accordance with the terms of the Scheme;
“Personal Representative(s)”	the person(s) who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant(s)”	one category of participants eligible to participate in the Scheme in accordance with the terms of the Scheme, being directors or employees (whether full time or part time) of a Related Entity;
“Remuneration Committee”	the remuneration committee of the Company;
“Scheme”	this share option scheme in its present or amended form;
“Scheme Mandate Limit”	the limit on the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s) including this Scheme, which must not exceed 10% of the issued Shares as at the date of approval of this limit by the Shareholders at a general meeting;

“Share(s)”	the ordinary share(s) in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, sub-division or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	the subsidiary(ies) (within the meaning of Section 2 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company;
“Substantial Shareholder(s)”	having the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“Vesting Date”	in relation to any Grantee, the earliest date on which the Option (or a tranche thereof) granted to him/her may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Options; and
“Vesting Period”	in relation to any Grantee, the period commencing on the date on which the Grantee accepts the Option granted to him/her and ending on the Vesting Date (both dates inclusive).

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 paragraph headings are inserted for convenience only and do not affect its interpretation;

1.2.2 words in the singular include the plural and vice versa;

1.2.3 words denoting the masculine gender include the feminine gender; and

1.2.4 a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted.

2. CONDITIONS

2.1 The Scheme is conditional on:

2.1.1 the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company approving the adoption of the Scheme; and

2.1.2 the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be allotted and issued by the Company pursuant to the exercise of any Options in accordance with the terms and conditions of the Scheme.

2.2 The Board may make an application to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares that may be issued upon exercise of the Options before or after the obtaining of the Shareholders' approval regarding the Scheme. Subject to such listing approval being granted by the Stock Exchange, the Scheme will be conditionally adopted and take effect upon the passing of the resolution regarding the Scheme at the general meeting.

2.3 Unless otherwise approved by the Board, if other conditions in paragraph 2.1 are not satisfied within six months after the conditional adoption of this Scheme (a) this Scheme shall forthwith terminate; (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 obligation under or in respect of this Scheme or any Option.

2.4 References in paragraph 2.1.2 to the Stock Exchange granting the approvals, listing and permission referred to therein shall include where such approvals, listing and permission are granted subject to conditions.

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

3. PURPOSE, DURATION, ADMINISTRATION AND ELIGIBILITY

3.1 The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that Eligible Participants had made or may make to the Group. The Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:

3.1.1 motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and

3.1.2 attracting and retaining or otherwise maintaining ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.

The Board considers that: (i) the Eligible Participants will share the same interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group; and (ii) the adoption the Scheme is in line with modern commercial practice that Eligible Participants are given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

- 3.2 The Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “**Scheme Period**”) and shall terminate on the tenth anniversary of the Adoption Date (unless terminated earlier pursuant to paragraph 15 of the Scheme), after which period no further Option shall be granted but the provisions of the 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 the Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Scheme.
- 3.3 The Scheme shall be subject to the administration of the Board (or if the Board so resolves by a committee of the Board) whose decision (save as otherwise provided herein) shall be final and binding on all parties. Without prejudice to the generality of the foregoing, the Board shall have the absolute discretion to:
- (a) interpret and construe the provisions of this Scheme;
 - (b) subject to such relevant requirements under the Listing Rules, determine the persons who will be awarded Options under this Scheme, and the number and Exercise Price of Options awarded thereto;
 - (c) subject to Applicable Laws, determine the Option Period and other relevant terms and conditions for each Option;
 - (d) make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary, including to obtain a written confirmation from the Auditors or an independent financial adviser if and as required by paragraph 12 of the Scheme;
 - (e) adopt rules and regulations for carrying out this Scheme;
 - (f) prescribe the form or forms of instruments to be issued as evidence of any Options granted under this Scheme; and
 - (g) subject to the Applicable Laws, make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

- 3.4 The Board may at its discretion grant Options to any (i) Employee Participant; and (ii) Related Entity Participant. The eligibility of each Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case specific basis, but generally speaking:
- 3.4.1 With respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experiences, employment conditions, roles and responsibilities, performance evaluation results, contribution to the development and growth of the Group and/or any such other criteria as the Board may deem appropriate, with reference to the prevailing market practice and industry standard.
- 3.4.2 With respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.
- 3.5 Any person whom the Board has resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Option granted to him remains outstanding. In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility).
- 3.6 Should the Board resolve that a Grantee fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under this Scheme, the Company would (subject to the Applicable Laws) be entitled to deem any outstanding Option or part thereof granted to such Grantee and to the extent not already exercised, as lapsed.

4. GRANT OF OPTIONS

- 4.1 Subject to the terms of the Scheme, the Board shall be entitled at any time during the Scheme Period to make an Offer to any Eligible Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Exercise Price. The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, any Vesting Period, performance target, continuing eligibility criteria and/or clawback mechanism), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under the Applicable Laws or the Listing Rules.
- 4.2 Each Offer shall be in writing and in such form as the Board may from time to time prescribe, specifying: (a) the date of issue of the Offer; (b) the date by which the Eligible Participant must accept the Offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the Adoption Date; (c) the method for accepting the Offer including the amount of consideration for accepting the Offer (which may be HK\$1.00 or such other nominal sum in any currency as the Board may determine); (d) the maximum number of Shares to which the Offer relates; (e) the Exercise Price; (f) the Option Period; (g) at the discretion of the Board, any Vesting Period as described in paragraph 4A of this Scheme; (h) at the discretion of the Board,

any vesting condition(s) and/or performance target(s) as described in paragraph 4B of this Scheme; (i) at the discretion of the Board, any clawback mechanism(s) as described in paragraph 4C of this Scheme; (j) any other conditions which the Board considers appropriate; and (k) that by accepting the Offer, the Eligible Participant undertakes to hold the Options on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

- 4.3 An Offer shall remain open for acceptance by the Eligible Participant to whom an Offer is made for the period as specified in the letter of Offer, by which the Eligible Participant must accept the Offer together with the making of a non-refundable payment of the consideration specified in the Offer in favour of the Company as consideration for the grant. Once accepted, the Option is granted as from the date of Offer. Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined and upon which, the subject Options with respect to the declined Offer will lapse.
- 4.4 No Offer shall be opened for acceptance after the Option Period or after the Scheme has been terminated in accordance with the provisions of the Scheme or after the Eligible Participant to whom the Offer is made has ceased to be an Eligible Participant.
- 4.5 By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant subject to the provisions of this Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.

4A. VESTING PERIOD

- 4A.1 The Options to be granted under the Scheme shall be subject to a minimum Vesting Period of 12 months during which unvested Options shall not become vested and exercisable. Any shorter Vesting Period in respect of Options granted to Employees Participants must be approved by the Board and/or the Remuneration Committee (for Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The exhaustive circumstances giving rise to a shorter Vesting Period are as follows:
- (a) grants of "make whole" Options to new Employee Participants to replace share options such Employee Participants forfeited when leaving their previous employers;
 - (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
 - (c) grants of Options which are subject to the fulfilment of performance targets pursuant to paragraph 4B of the Scheme;

- (d) grants of Options that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the Applicable Laws, regulations and rules in the jurisdictions which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participant, which include Options that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the Vesting Date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Employee Participants in case of delays due to administrative or compliance requirements;
- (e) grants of Options with a mixed vesting schedule such that the Options vest evenly over a period of 12 months; or
- (f) grants of Options with a total vesting and holding period of more than 12 months.

4A.2 In the event of any administrative or compliance requirements which give rise to a shorter Vesting Period of the Options granted to any Employee Participant, the Company will make further announcement as and when appropriate.

4B. VESTING CONDITIONS OR PERFORMANCE TARGETS

4B.1 The Offer shall specify the vesting condition(s) and/or performance target(s), if any, that must be duly fulfilled by the Grantee(s) before any of the Options may be vested in such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all Applicable Laws, rules and regulations determine such vesting conditions or performance targets for vesting of Options in its sole and absolute discretion, which may include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business units, departments, projects and/or geographical area relating to the Grantees. For the avoidance of doubt, an Option is not subject to any performance target if none is specified in the relevant Offer.

4C. CLAWBACK MECHANISMS

4C.1 Notwithstanding the terms and conditions of this Scheme, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events (the “**Clawback Events**”) occurs:

4C.1.1 if the Grantee of an outstanding Option ceases to be an Eligible Participant by reason of the termination of his or her employment or engagement on the following grounds (the “**Summary Dismissal**”), namely, that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or on any other ground on which an employer would be entitled to terminate his or her employment summarily, or is dismissed by reason of any breach of the terms of his/her employment contract or other contract constituting him/her as an Eligible

Participant, or if the Board determines that any grounds justifying a Summary Dismissal or dismissal of a relevant Grantee has occurred (regardless of whether the Grantee has or has not been dismissed);

4C.1.2 if a Grantee, whose right to exercise or elect in respect of his/her Option is initially allowed to survive his/her cessation of employment pursuant to the Board's discretion and/or any of the sub-paragraphs in paragraph 10.1, subsequently discovered by the Board to have joined a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;

4C.1.3 upon the happening of any of the following events (the “**Insolvency Events**”) of the Grantee, namely: if the Grantee appears to be unable to pay or to have no reasonable prospect of being able to pay his debts, or has receiver or any person carrying out any similar function appointed anywhere in the world in respect of the whole or any part of his asset or undertaking, or has any unsatisfied judgment, order or award outstanding against him, or has circumstances entitling any person to take any action of a type mentioned above against him, or has made any arrangement or composition with his creditors generally, or has a petition for bankruptcy presented or bankruptcy order made against him in any jurisdiction, unless otherwise waived by the Board;

4C.1.4 if any other clawback event implicitly or explicitly characterised in the Offer Letter occurs and/or any other event occurs as the Board may in its absolute discretion determines.

4C.2 Upon the occurrence of any of the Clawback Events in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee claw back such number of Options granted (to the extent not already exercised) as the Board may consider appropriate. The Options that are clawed back shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

4C.3 The Board shall have the absolute discretion in determining whether the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 4C, and/or whether a Clawback Event is to be regarded as having occurred for the purpose of this paragraph 4C, and the Board's determination shall be final, binding and conclusive.

5. EXERCISE PRICE

5.1 Subject to paragraph 5.2 of the Scheme, the Exercise Price in relation to each Option offered to an Eligible Participant shall be a price determined by the Board and notified to an Eligible Participant, and shall be at least the higher of:

5.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day;

5.1.2 the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and

5.1.3 the nominal value of a Share on the Date of Grant,

where an Option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the Date of Grant for such Option.

5.2 The Exercise Price is subject to adjustments in the event of any alteration in the capital structure of the Company, in such manner as the Directors shall certify to be fair and reasonable and as an independent financial adviser appointed by the Company or the Auditors shall provide a written confirmation regarding the compliance of the relevant requirements under the Listing Rules as contemplated under paragraph 12.

6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

6.1 The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit in accordance with this paragraph 6 of the Scheme.

6.2 For the purposes of calculating the Scheme Mandate Limit under paragraph 6.1 of the Scheme, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.

6.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of the Shareholders' approval for the last refreshment (as the case may be), provided that:

6.3.1 the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage which may from time to time be specified by the Stock Exchange from time to time) of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit;

6.3.2 for the purpose of calculating the Scheme Mandate Limit, options or awards lapsed will not be regarded as utilised and options or awards cancelled will be regarded as utilised; and

6.3.3 a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.

- 6.4 Further to the requirements set out under paragraph 6.3 above, any refreshment of the Scheme Mandate Limit within three years from the Adoption Date or the date of the Shareholders' approval for the last refreshment (as the case may be) must be approved by the Shareholders in general meeting subject to the following provisions:
- 6.4.1 any Controlling Shareholder and their Associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive(s) of the Company and their respective Associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- 6.4.2 the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- 6.4.3 the requirements under sub-paragraphs 6.4.1 and 6.4.2 of the Scheme do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 6.5 The Company may seek separate approval from the Shareholders in general meeting for granting Options or awards which will result in the Scheme Mandate Limit being exceeded, provided that:
- 6.5.1 the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and
- 6.5.2 a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other Applicable Laws and rules.
- 6.6 If the Company conducts any share consolidation or sub-division after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the Scheme and all other share schemes of the Company under the unutilised Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole Share. The Scheme Mandate Limit referred to above is subject to adjustments in the event of any alteration in the capital structure of the Company, in such manner as the Directors shall certify to be fair and reasonable and as an independent financial adviser appointed by the Company or the Auditors shall provide a written confirmation regarding the compliance of the relevant requirements under the Listing Rules as contemplated under paragraph 12.

7. INDIVIDUAL LIMIT AND GRANTS TO CONNECTED PERSONS

- 7.1 The provisions of this paragraph 7 are subject to any waiver or ruling granted by the Stock Exchange, and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules, which these paragraphs have been drafted to reflect as at the Adoption Date. For the purposes of calculating the limit in this paragraph 7, Options that have already lapsed in accordance with the Scheme shall not be counted. For the purpose of this paragraph 7, “Relevant Shares” means Shares issued and to be issued in respect of all options granted (excluding any options lapsed) under all share schemes of the Company to the relevant Grantee in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the Date of Grant of the relevant Option referred hereto.
- 7.2 No Option shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”), if it would result in the number of Relevant Shares exceeding 1% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant, unless:
- 7.2.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her Close Associates (or his/her Associates if the Relevant Eligible Participant is a Connected Person) shall abstain from voting;
 - 7.2.2 a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in the relevant provisions of Chapter 17 of the Listing Rules; and
 - 7.2.3 the number and terms of such Option are fixed before the general meeting of the Company at which the same are approved.
- 7.3 Where an Option is to be granted to a director, chief executive or Substantial Shareholder of the Company or any of their respective Associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee of the Option.
- 7.4 Where an Option is to be granted to a Substantial Shareholder or an independent non-executive Director or any of their respective Associates, and the grant will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant, such grant shall not be valid unless:
- 7.4.1 a circular containing the details of the grant has been dispatched to the Shareholders in a manner complying with, and containing the information as required under the Listing Rules, including in particular a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Option) to the independent Shareholders as to voting; and

7.4.2 the grant has been approved by the Shareholders in general meeting (taken on a poll) in accordance with the relevant provisions of the Listing Rules, during which the relevant Grantee, his/her Associates and all Core Connected Persons shall abstain from voting (except that a Connected Person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7.5 Any change in the terms of the Options granted to a Participant who is a Director, or a chief executive or Substantial Shareholder of the Company, or any of their respective Associates, shall be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme). For the avoidance of doubt, the requirements for the grant to a director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Participant is only a proposed director or chief executive of the Company.

8. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

8.1 The Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced such inside information. In particular, the Board shall not grant any Option to any Eligible Participant during the period commencing one month immediately preceding the earlier of:

8.1.1 the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) approving the Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules); and

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

and ending on the date of results announcement.

8.2 No Options shall be granted during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Option may be granted.

8.3 No Offer shall be made to any Grantee who is subject to the Model Code during the periods or times in which such Grantee is prohibited from dealing in the Shares pursuant to the Model Code, which provides that a Director must not deal in any of the securities of the Company (and no Options may be granted to a Director) at any time when he possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule B.8 of the Model Code, or on any day on which its financial results are published and:

8.3.1 during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

8.3.2 during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of the Model Code.

9. EXERCISE OF OPTION

9.1 An Option shall be personal to the Grantee. Unless a waiver is granted by the Stock Exchange, an Option shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option (the “**Transfer Restrictions**”). The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with the requirements of the Listing Rules. When such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle. Where the Grantee is or becomes a company, the Board may at its sole absolute discretion regard any change of its major shareholder or any substantial change in its management as a sale or transfer of interest as aforesaid. Any breach of the Transfer Restrictions shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company.

9.2 An Option shall be vested after meeting the Vesting Period and/or vesting conditions, if Vesting Period and/or vesting conditions are imposed by the Board at the time of grant.

9.3 The terms and conditions of the Options are set out in the Scheme and the Offer Letter. Subject to the above, an Option may be exercised in whole or in part by the Grantee (or his/her personal representatives) before the expiry of the Option Period by delivering to the Company a notice in writing in a form approved by the Board, stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Each such exercise notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the

notice is given. Generally speaking, the Company shall issue and allot the relevant Shares to the Grantee (or his/her personal representatives) credited as fully paid and issue to the Grantee (or his/her personal representatives) a share certificate in respect of the Shares so issued and allotted within 30 days after receipt of the exercise notice but the processing time may be longer when, for example: (a) the exercise coincides with the book close period; (b) the exercise coincides with an event of alteration of capital under paragraph 12 of the Scheme calling for the need of the issue of certificate on adjustment by an independent financial adviser or the Auditors; or (c) the Board decides to be fair and reasonable to defer any exercise due to administrative or compliance requirements.

10. RIGHTS ON CESSATION, DEATH, GENERAL OFFER, VOLUNTARY WINDING UP, ETC.

10.1 Subject to any Applicable Laws and the terms of grant of any Option (including Vesting Period and/or vesting conditions, if any), an Option may be exercised by the Grantee (or his/her personal representatives) at any time during the Option Period, provided that:

10.1.1 **Cessation of employment:** Where the holder of an outstanding Option ceases to be an Eligible Participant for any reason except for paragraphs 10.1.2 (re-employment) or 10.1.3 (disability and death) or 4C.1.1 (grounds justifying dismissal), Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine (which shall not exceed 3 months after the cessation). The date of such cessation shall be his/her last actual working day at his/her work place with the Company, any Subsidiary or any Related Entity whether salary is paid in lieu of notice or not;

10.1.2 **Re-employment:** where the Grantee of an outstanding Option is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Option in full or at all, the Option may continue to be exercised by the Grantee;

10.1.3 **Disability and death:** where the Grantee of an outstanding Option ceases to be an Eligible Participant because of disability or death before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to paragraphs 10.1.4 (general offer), 10.1.5 (voluntary winding up) or 10.1.6 (reconstruction or amalgamation) by him/her (in the case of disability) or his/her personal representatives (in the case of death), within 12 months of such cessation;

10.1.4 **General offer:** if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeovers Code), the Grantee (or his/her personal representatives) shall be entitled to exercise the Option (to the extent exercisable as at the date on which the general offer

becomes or is declared unconditional and not exercised) in full or in part at any time within one month after the date on which the offer becomes or is declared unconditional (within the meaning of the Takeovers Code);

10.1.5 Voluntary winding up: in the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Grantee (or his/her legal personal representatives) shall be entitled to exercise all or any of his/her Options at any time not later than seven days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid; and

10.1.6 Reconstruction or amalgamation: in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than a general offer by way of scheme as contemplated in paragraph 10.1.4 or a scheme relating to any reorganisation as contemplated under Rule 7.14(3) of the Listing Rules), the Grantee (or his/her personal representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his/her Options, and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Options. In the event that the Grantees do not exercise all or any of his/her Options before the specified timing, and provided that the then market price of the Option is higher than the Exercise Price of the Option, the Board may in its sole discretion, sell the Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company, if any). In the event that the market price of the Option is lower than the Exercise Price of the Option or the Board in its sole discretion decides not to sell the Option on the market, the Option will automatically lapse.

10.2 The Board always retains its absolute discretion to decide the final settlement of Options, including as to whether an event described in paragraph 10.1 is to be regarded as having occurred, and the Board's determination shall be final, binding and conclusive. Without limiting the generality of the foregoing, if more than one sub-paragraph of this paragraph 10 and/or other applicable clauses in the Scheme is potentially triggered, it is the Board's absolute discretion to apply one paragraph but not the others or to apply the shortest expiry period before lapse.

10.3 After the adoption of this Scheme, these scheme rules are available for inspection by any Grantees at the Company's principal place of business in Hong Kong, and/or on the Company's computer system, website and/or intranet, and/or at the request made by a Grantee in writing deposited at the Company's principal place of business in Hong Kong. It is the own responsibilities of the Grantees (or their personal

representatives) to keep themselves informed (and to obtain independent advice from their own advisers if necessary) of their own rights under these scheme rules, and the Company should not be put under any obligation to remind the Grantees as such. In any event, all Grantees are deemed to be notified by in respect of all matters flowing from statements contained in any notice, announcement, press release, circular or report published by the Company on the website of the Company or the Stock Exchange.

- 10.4 Holders of the Options are not entitled to voting, dividend, transfer and other rights of the Shareholders, including those arising on a liquidation of the Company, save as otherwise provided herein or under the relevant laws, the memorandum of association of the Company and the Articles in effect from time to time. The Shares to be issued and allotted upon the exercise of an Option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the Shares in issue as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as a holder thereof.

11. LAPSE OF OPTION

- 11.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

11.1.1 the expiry of the Option Period;

11.1.2 the expiry of any of the periods referred to in paragraphs 10.1.1 (cessation of employment), 10.1.3 (disability and death) or 10.1.4 (general offer) of the Scheme;

11.1.3 the effective date of the reconstruction or amalgamation as referred to in paragraph 10.1.6;

11.1.4 the date of the commencement of the winding-up of the Company;

11.1.5 the date of his/her cessation where the Grantee ceases to be an Eligible Participant by reason of Summary Dismissal or dismissal as referred to in paragraph 4C.1.1, or the date of occurrence of a Clawback Event or Insolvency Event as determined by the Board, or the date on which the Grantee is considered by the Board to be unable to meet his continuing eligibility, whichever is earlier; or

11.1.6 the date on which the Grantee commits a breach of any terms of the Scheme or any grant, acceptance, holding or exercise of Option as determined by the Board, including without limitation the Transfer Restrictions as set out in paragraph 9.1.

12. REORGANISATION OF CAPITAL STRUCTURE

12.1 In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the numbers of the Shares subject to any outstanding Options and/or (ii) the Exercise Price per Share as the Directors shall certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that: (a) the Grantee shall have the same proportion of the total number of Shares in issue, rounded to the nearest whole Share, to which he was entitled before such alteration; (b) no such adjustment shall be made to the extent that a Share would be issued at less than its nominal value; and (c) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange. Save in the case of a capitalisation issue, an independent financial adviser appointed by the Company or the Auditors must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

12.2 For the purposes of this paragraph, the independent financial adviser or the Auditors shall act as experts and not as arbitrators and their certification being final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

13. ALTERATION OF THE SCHEME

13.1 The Scheme may be altered in any respect by a resolution of the Board except that those specific provisions relating to matters contained in Chapter 17 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting.

13.2 Any alteration to the terms and conditions of the Scheme which is of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Scheme.

13.3 The Company by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered but the provisions of the Scheme shall remain in force in all other respects. In particular, all Options granted prior to such termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the Scheme.

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

13.5 Any change to the authority of the Board in relation to any alteration to the terms of the Scheme must first be approved by the Shareholders in general meeting.

13.6 Any change to the terms of Options granted must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders if the initial Options were approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

14. CANCELLATION OF OPTIONS GRANTED

14.1 The Board at its sole discretion may cancel an Option granted but not exercised with the approval of the Grantee of such Option in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.

14.2 Options may be granted to an Eligible Participant in place of his/her cancelled Options provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

15. TERMINATION

15.1 The Scheme shall be terminated on the earlier of:

- (a) the tenth (10) anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by the Board by a resolution of the Board or as approved by way of ordinary resolution of the Shareholders at a general meeting,

provided that such termination shall not affect any subsisting rights of any Grantee hereunder, following which no further grant of Options shall be offered but in all other respects the Scheme shall continue in full force and effect to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme. Any Options granted prior to such termination, including Options exercised or outstanding under the Scheme, shall continue to be valid and exercisable in accordance with the Scheme.

16. MISCELLANEOUS

16.1 Notwithstanding any provision of any other paragraph of the Scheme:

16.1.1 the Scheme shall not form part of any contract of employment or services between the Company, any Subsidiary or any Related Entity (as appropriate) and any Eligible Participant; where an Eligible Participant is an employee of the Company, any Subsidiary or any Related Entity, the rights and obligations under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he may have to participate in it

and the 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; and

16.1.2 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 give rise to any cause of action at law or in equity against the Company.

16.2 In no circumstances shall a person whose Option(s) have lapsed and determined by operation of any of the provisions of the Scheme be entitled to any compensation for or in respect of any consequent diminution or extinction of his/her rights or benefits (actual or prospective) under such Option or otherwise in connection with the Scheme and by accepting an Option under the Scheme, such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).

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

16.4 The Company will publish notices and other documents to Shareholders on the websites of the Company and the Stock Exchange. A Grantee having subsisting rights under the Scheme shall be deemed to have been notified by the notices and documents so published on such websites.

16.5 A Grantee shall himself/herself be solely responsible for obtaining any governmental/regulatory approvals and/or making notifications and/or completing filings that may be required by any country or jurisdiction other than Hong Kong (or otherwise determined by the Board) in order to enable the offer, acceptance, holding or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such approvals, notifications or filings or for any tax or other liability to which a Grantee may become subject as a result of his/her participation in the Scheme and/or acceptance of an Offer. The Company shall not be responsible for the lapse of any Options granted to any Eligible Participant by reason of the operation of the Scheme.

16.6 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme. The Board shall also have the power to delegate all or part of its powers under this Scheme to one or more of the Company's chief executives and/or senior managers and/or a committee of the Board from time to time, subject to the requirements and restrictions set out in the Scheme and the Listing Rules.

16.7 Any notice or other communication between the Company and a Grantee may be given by personal delivery, by prepaid post (local or airmail), by courier, or by fax or email to: (a) in the case of the Company, its principal place of business in Hong Kong, fax number(s) and email address(es) as from time to time notified by way of announcement or financial reports on the Stock Exchange's website; and (b) in the case of the Grantee, his/her residential address(s), fax number(s) and/or email address(es) as maintained in the Company's records or as subsequently notified to the Company at least seven days in advance in writing. Any notice or other

communication between the Company and a Grantee shall be deemed to have been received: (i) in the case of delivery by hand or by courier, when delivered; (ii) in the case of local prepaid post, on the second day following the day of posting; (iii) in the case of overseas prepaid post by airmail, on the seventh day following the day of posting; and (iv) in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received. In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.

16.8 The Scheme and all Options granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong. Any dispute arising in connection with the Scheme (whether as to the number of Shares constituting the subject of an Option, the amount of the Exercise Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser who shall act as experts and not as arbitrators and whose decision shall be final and binding.

- End -