

2023 SHARE OPTION SCHEME

UMP HEALTHCARE HOLDINGS LIMITED

Adopted conditionally pursuant to an ordinary resolution of the shareholders of the Company passed on [*] 2023.

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2023 SHARE OPTION SCHEME

PURPOSE

The purpose of this Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. This Scheme may, at the discretion of the Board, be used in conjunction with any cash based compensation, incentive compensation or bonus plan.

LR17.03(1)

1. INTERPRETATION

1.1. Defined Terms

In these Rules:

"Adoption Date" means the date on which the Scheme was conditionally adopted by the ordinary resolution of the Shareholders;

"associate" has the meaning ascribed to this term under the Listing Rules;

"associated company(ies)" means, in relation to any company, an entity in which the company holds 20 per cent. or more of the issued shares or equity interest (whether directly or indirectly) or is otherwise entitled to control 20 per cent. or more of the entity's voting power;

"Auditors" means the auditors for the time being of the Company;

"Board" means the board of directors of the Company (including any committee or delegate of the Board appointed by the Board to perform any of its functions hereunder);

"Business Day" means a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities;

"Clawback" means in respect of any Options granted to a selected Eligible Person, the lapse of all or a specified part of such outstanding Options granted to such selected Eligible Person but unexercised Options (vested or not vested), without the approval of the relevant Option-holder, pursuant to Rule 5.2(d) hereof;

LR17.03(19)

"Company" means UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands on 5 November 2014 as an exempted company with limited liability;

"Connected Person" has the meaning ascribed to this term under the Listing Rules;

"Contract" means, in relation to an employee or director, his contract of employment or service contract with his Employer or any member of the Group or Related Entity (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents;

"Director" means a director of any Member of the Group;

"Eligible Person(s)" means (i) director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted options or awards under the Scheme as an inducement to enter into employment contracts with these companies) (the **"Employee Participant(s)"**); (ii) director(s) and employee(s) of any member of the Related Entity (**"Related Entity Participant(s)"**) and (iii) Service Provider(s);

LR17.03(2)
LR17.03A(1)

"Employer" means, in relation to an employee or a director, the member of the Group or Related Entity which employs or has appointed him under his Contract;

"Group" means, the Company together with its subsidiaries, and a member of the Group means any of the aforementioned entity;

"HK\$" means Hong Kong dollars, the lawful currency of Hong Kong;

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC;

"Hong Kong Stock Exchange" means The Stock Exchange of Hong Kong Limited;

"Independent Non-Executive Director" means a person who is an independent non-executive director of the Company within the meaning of the Listing Rules;

"Listing Committee" means the Listing Committee of the Hong Kong Stock Exchange;

"Listing Rules" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

"Offer Date" means, in relation to an Option, the date on which the Board offers an Eligible Person such Option pursuant to Rule 3.1, which must be a Business Day;

"Option" means a right granted under this Scheme to subscribe for Shares in accordance with this Scheme;

"Offer Letter" means an Offer Letter issued by the Company in accordance with Rule 3.3 in such form as the Board may determine, and setting out the Option Price, Option Period, the date upon which an offer of the grant of an Option must be accepted by the relevant selected Eligible Person and any other conditions of exercise as contemplated by these Rules;

"Option-holder(s)" means a person holding an Option (and, where relevant, includes his personal representatives);

"Option Period" means, in relation to an Option, the period during which such Option is exercisable by the Option-holder, which is notified by the Board at the Offer Date when making an offer to an Eligible Person under Rule 3.1 and which is specified on the Offer Letter, such period not to exceed 10 years from the Offer Date of such Option;

LR17.03(5)

"Option Price" means in respect of any Option the price determined by the Board and notified to an Option-holder which shall not be less than the higher of:

LR17.03(9)
LR17.03E

(a) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the Offer Date; and

(b) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date.

The Option Price may be adjusted in accordance with Rule 9;

"Other Scheme" means any other share scheme within the meaning ascribed to it under Chapter 17 of the Listing Rules;

"PRC" means the People's Republic of China, but for the purpose of these Rules, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

"Related Entity" means the holding companies, fellow subsidiaries or associated companies of the Company, and a member of the Related Entity means any of the aforementioned entity;

"Rules" means the rules of this Scheme as amended from time to time;

"Scheme" means the scheme known as "2023 Share Option Scheme" constituted and governed by these Rules, in its present form or as amended from time to time in accordance with the provisions hereof;

"Scheme Mandate Limit" has the meaning ascribed thereto in Rule 7.1(a);

"Service Provider(s)" means any person(s) and entity(ies) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of long-term growth of the Group including but not limited to medical practitioners, physiotherapists, radiographers, imaging and laboratory service providers and consultants and advisers which are relevant to the Group's principal business activities of providing one-stop and comprehensive healthcare, medical imaging and laboratory services and other auxiliary medical services that are being carried out by the Group on a recurring basis, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

"Service Provider Sublimit" has the meaning ascribed thereto in Rule 7.1(b);

"Shares" means fully paid ordinary shares of HK\$0.001 each in the capital of the Company;

"Shareholder(s)" holder(s) of the Shares;

"subsidiary" or **"subsidiaries"** has the meaning ascribed to this term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time;

"Substantial Shareholder" has the meaning ascribed to this term under the Listing Rules; and

"Vesting Date" in respect of any particular Option, the day on which such Option vests and becomes exercisable.

1.2. References to Enactments

Any reference in these Rules to any enactment or regulatory requirement means a reference to such enactment as amended from time to time.

2. ADOPTION AND DURATION OF THIS SCHEME

2.1. Adoption

(a) The adoption of this Scheme is conditional on:

- (i) the passing of the resolutions by the Shareholders to approve and adopt this Scheme and to authorize the Board to grant Options pursuant to this Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee granting (or agreeing to grant) approval (subject to such conditions as the Hong Kong Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options which may be granted under this Scheme.

LR17.02(1)(a)

(b) If the conditions referred to in Rule 2.1(a) are not satisfied on or before the date following six months after the Adoption Date:

- (i) this Scheme shall forthwith determine;
- (ii) any Option granted or agreed to be granted pursuant to these Rules and any offer of such a grant shall be of no effect;

- (iii) 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; and
- (iv) the Board may devise another share option scheme for adoption by the Company.

2.2. Duration

LR17.03(11)

Subject to the fulfilment of the conditions under Rule 2.1 and Rule 11, this Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period no further Options will be 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 Options granted prior thereto which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of this Scheme.

3. OFFER AND ACCEPTANCE OF GRANT OF OPTIONS

3.1. Offer of Grant

Subject to the limits specified in Rule 7 not being exceeded and the restrictions specified in Rule 8 and any applicable regulatory and legal requirements including, if appropriate, any codes of conduct, the Board may, at its absolute discretion, offer the grant to any Eligible Person an Option to subscribe for such number of Shares at the Option Price as the Board may determine.

3.2. Criteria for Grant

LR17.03(2)
LR17.03A(2)

Eligibility for Employee Participants

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the 2023 Share Option Scheme include: (1) his/her general work performance, (2) time commitment (full-time or part-time), (3) length of their service within the Group, (4) work experience, (5) responsibilities and/or (6) employment conditions with reference to the prevailing market practice and industry standards.

Eligibility for Related Entity Participants

In determining the basis of eligibility for Related Entity Participants, the Board would take into account, on a case-by-case basis, among other things:

- (a) his/her participation and contribution to the development of the Group, including the extent of benefits and synergies brought to the Group through their involvement and cooperation;
- (b) the length of collaborative relationship established with the Group;
- (c) the support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the success of the Group;
- (d) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (e) the amount of support, assistance, guidance, advice, efforts and contributions and the potential support, assistance, guidance, advice, efforts and contributions that the Related Entity Participant is likely to be able to give or contribute towards the success of the Group in the future.

Eligibility for Service Providers

In determining the basis of eligibility for the Service Providers, the Board would take into account, on a case-by-case basis, among other things:

- (a) the skill, knowledge and expertise of the relevant service provider including its capability and technical know-how;
- (b) its experience and network in the relevant industry;
- (c) the frequency of collaboration and length of business relationship with the Group;
- (d) the materiality and nature of the business relationship with the Group;
- (e) the background, reputation and track record of the relevant consultant and/or adviser;
- (f) the potential and/or actual contribution to the business affairs of the Group, and in particular, whether such consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such consultant and/or adviser;
- (g) other factors, including but not limited to the synergy between the relevant consultant and/or adviser and the Group.

In addition, the Board shall also take into consideration:

- (i) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and Directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of this Scheme and the objectives in engaging the Service Provider; and
- (ii) in assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

3.3. Acceptance of Offers of Options

- (a) Offers of Options shall be open for acceptance in writing or by telex or facsimile transmission or (if the Board agree) by electronic communication received by the Chairman of the Company (or a person designated by him with the approval of the Board) for such period (not exceeding 30 days inclusive of, and from, the Offer Date) as the Board may determine and notify to the Eligible Persons concerned in the Offer Letter provided that no such offer shall be open for acceptance after the expiry of the duration of this Scheme as specified in Rule 3.3. Offers of Options not accepted within this period shall lapse.
- (b) An offer of the grant of the Option(s) shall be deemed to have been accepted and the Option(s) shall be deemed to have been granted and to take effect (with retrospective effect from the Offer Date) when the duplicate Offer Letter of such Option(s) comprising acceptance of the Option(s) duly signed by the relevant selected Eligible Person with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company an amount referred to in Rule 3.5 below as consideration for the grant thereof is received by the Company before the end of the period for acceptance of the offer referred to in Rule 3.3(a).

3.4. Terms of Options

- (a) Any grant of Options under this Scheme may be subject to a performance target so as to achieve the purpose of this Scheme. The performance target, if any, shall be based on the performance of the Eligible Persons, financial targets and management targets, and/or the operating or financial performance of the Group including but not limited to the profit before tax of the Group and/or such other performance target to be determined by the Board in its absolute discretion from time to time, which shall be set out in the relevant Offer Letter in relation to the grant of Options

LR17.03(7)

issued to each selected Eligible Person. Where options are granted to the Directors and/or senior managers without performance targets, such grants shall be further subject to the approval of the remuneration committee of the Board and any other requirements under the Listing Rules.

- (b) An Option shall be subject to such further terms and conditions (if any) as may be determined by the Board and specified in the offer of the Option, including any vesting schedule and/or conditions, any minimum period for which any Option must be held before it can be exercised and/or any other target which need to be achieved by an Option-holder before the Option can be exercised. Any terms and conditions determined by the Board must not be contrary to the purpose of this Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the shareholders of the Company.

3.5. Payment on Grant

LR17.03(8)

The amount payable for the acceptance of the grant of an Option shall be the sum of HK\$1.00 which shall be paid upon such acceptance. This consideration shall not be refundable to the Option-holder and shall not be deemed to be a part payment of the Option Price.

3.6. Non-Transferability of Options

- (a) Subject to Rule 5.2(c)(i), an Option shall be personal to the Option-holder and shall not be assignable or transferable and no Option-holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, or enter into any agreement so to do. For the avoidance of doubt, to the extent permissible by applicable laws and regulations (including the Listing Rules) and subject to the grant of waiver and the imposition of any conditions on the transfer by the Hong Kong Stock Exchange, an Option-holder may transfer his/her Option to a vehicle (such as a trust or to a wholly owned company) for the sole benefit of such Option-holder and/or any family members of the Option-holder and at the absolute discretion of the Option-holder, provided that the Option so assigned would continue to meet the purpose of this Scheme and will be reassigned back to the Option-holder once the assignee ceased to be holding such Option on the aforesaid basis.
- (b) Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option-holder. A resolution of the Board to the effect that the Option-holder has or has not breached any of the foregoing shall be conclusive.

LR17.03(17)

4. VESTING AND EXERCISE OF OPTIONS

4.1. Vesting of Options

- (a) Subject to Rule 4.1(c), the vesting of any Option shall be subject to a vesting period (the "**Vesting Period**") to be determined by the Board and the remuneration committee of the Board in their absolute discretion.
- (b) Only insofar as and for so long as the Listing Rules require, the Vesting Period for an Option under the Scheme shall not be less than 12 months, unless the Board and the remuneration committee of the Board determine in their sole discretion that the Options granted to Employee Participants may be less than 12 months under the following specific circumstances:
 - (i) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any unforeseen event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
 - (ii) grants of Options to long-serving Employee Participants who have contributed to the growth and development of the Group on a continuing and recurring basis

LR17.03(6)

of not less than five years, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;

- (iii) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months; or
 - (iv) grants that are made in batches during a year for administrative and compliance reasons. Such circumstances may include Options that should have been granted earlier but had to wait for subsequent batch, in which case the vesting period may be adjusted to take into account of the time from which the Option would have been granted if not for such administrative or compliance requirements.
- (c) all vesting criteria, terms and conditions (including the achievement of performance target (if any)) and periods (including the Vesting Date) shall be set out in the relevant Offer Letter issued to each selected Eligible Person.

4.2. Exercise of Options

Subject to the restriction set out in Rule 4.4, any Option:

- (a) which has vested;
- (b) which conditions have been satisfied or waived by the Board in its sole discretion subject to the Listing Rules; and
- (c) which has not lapsed,

may, unless the Board determines otherwise in its absolute discretion, be exercised in the manner as set out in Rule 4.3 at any time from the Vesting Date.

4.3. Manner of Exercise

An Option-holder may exercise any or all of his Options by notice of exercise in writing in such form as the Board may from time to time require delivered to the Chairman of the Company (or a person designated by him with the approval of the Board). The notice of exercise of the Option must be completed, signed by the Option-holder or by his appointed agent, and must be accompanied by the correct payment in full in cleared funds of the total Option Price for the number of Shares being acquired.

4.4. Restriction on Exercise

No Option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

5. LAPSE AND CANCELLATION OF OPTIONS

LR17.03(12)

5.1. Lapse on Expiry of Option Period

An Option will lapse on the earlier of:

- (a) the expiry of the Option Period; or
- (b) the date on which the Board certifies that any breach of Rule 3.6(a) occurs; or
- (c) the expiry of the time provided for in the applicable Rule where any of the circumstances provided in Rules 5.2 to 5.6 below apply.

5.2. Lapse on Cessation of Employment

(a) Resignation

If an Option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of Options and all Options, vested or unvested, will lapse on the date when the Option-holder ceases to be an Eligible Person.

(b) Termination by Employer

If an Option-holder ceases to be an Eligible Person by reason of his:

- (i) Employer terminating his Contract in accordance with its terms or any right conferred on his Employer by law; or
- (ii) Contract, being a Contract for a fixed term, expiring and not being renewed; or
- (iii) Employer terminating his Contract for serious or gross misconduct,

then any outstanding offer of an Option and all Options, vested or unvested, will lapse on the date the Option-holder ceases to be an Eligible Person.

(c) Death, Disability, Retirement and Transfer

If an Option-holder who is an Employee Participant or an Related Entity Participant ceases to be an Eligible Person by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the Option-holder concerned unfit to perform the duties of his employment (in the case of an employee) or his directorship (in the case of a director) and which in the normal course would render the Option-holder unfit to continue performing the duties under his Contract for the following 12 months provided such illness or injury is not self-inflicted; or
- (iii) his retirement as an employee or a director in accordance with the terms of an Option-holder's Contract; or
- (iv) his early retirement as an employee or a director by agreement with the Option-holder's Employer (in the case of an employee) or the relevant member of the Group or the Related Entity (in the case of a director); or
- (v) in the case of an employee, his Employer terminating his Contract by reason of redundancy; or
- (vi) his Employer or an entity for which a director serves ceasing to be a Member of the Group or the Related Entity or under the control of the Company (in the case of a Member of the Group) or the Related Entity (in the case of a member of the Related Entity); or
- (vii) a transfer of the business, or the part of the business, in which the Option-holder works for a person who is not under the control of the Company, a member of the Group or a Related Entity; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of this Scheme to treat an Option-holder whose Options would otherwise lapse so that such Options do not lapse but continue to subsist in accordance with (and subject to) the provisions of this Scheme,

then, subject to Rule 5.2(d), any outstanding offer of an Option which has not been accepted under Rule 3.3 and any unvested Option will lapse and the Option-holder or

his personal representatives (if appropriate) may (subject to Rule 5.1) exercise all his Options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment or termination of Contract (as the case may be). Any Option not exercised prior to the expiry of this period shall lapse.

(d) Clawback

LR17.03(19)

If the Board determines that an Option-holder (being an Employee Participant or an Related Entity Participant) who ceases to be an Eligible Person in circumstances such that his Options continue to subsist in accordance with Rule 5.2(c):

- (i) has committed any misconduct which would have justified the termination of his Contract for cause but which does not become known to the Company until after he has ceased employment or directorship with any member of the Group or a Related Entity; or
- (ii) is in breach of any material term of Contract (or other contract or agreement related to his Contract including, without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of the Group or a Related Entity); or
- (iii) has disclosed trade secrets or confidential information of any member of the Group or a Related Entity; or
- (iv) has entered into competition with a member of the Group or a Related Entity or breached any non-solicitation provisions in his Contract; or
- (v) has been involved in any material misstatement in the Company's financial statements,

then it may, in its absolute discretion, determine that any unexercised Options, vested or not vested, held by the Option-holder shall immediately lapse upon the Board resolving to make such determination (without the approval of the Option-holder and whether or not the Option-holder has been notified of the determination). Any grants of Options to the Directors and senior management of the Company without Clawback mechanism shall be further subject to the approval of the remuneration committee of the Board and any other requirements under the Listing Rules.

If an Option-holder who is a Service Provider ceases to be an Eligible Person by reason of any one or more of the following grounds:

- (i) that there has been a breach of contract entered into between the Option-holder and any member of the Group;
- (ii) that the Option-holder's engagement or appointment has been terminated in the sole and absolute opinion of the Board;
- (iii) that the Board, in its sole and absolute opinion, believes that the Option-holder has become a competitor of any member of the Group;
- (iv) that the Option-holder has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
- (v) that the Option-holder has committed any serious misconduct; or
- (vi) that the Option-holder has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Option-holder or any member the Group into disrepute),

the Option (to the extent not already exercised) shall lapse and shall not be exercisable on the date of the Board's determination.

5.3. Lapse on Cessation to be a Director

In the event that any Director ceases to be a Director, the Company shall, as soon as practicable thereafter, give notice to the relevant Option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an Option which has not been accepted under Rule 3.3 and any unvested Option will lapse on the date the Option-holder ceases to be an Eligible Person. The Option-holder (or his personal representative) may (subject to Rule 5.1) exercise all his Options (to the extent vested but not already exercised) within a period of three months of the date of the notification by the Board. Any Option not exercised prior to the expiry of this period shall lapse.

5.4. Lapse on a General Offer

In the event of a general offer is made to all the shareholders of the Company (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 (in the case of a takeover offer) or a scheme is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), each Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) (or his personal representatives) shall be entitled to exercise the option (to the extent vested in accordance with rule 17.03F of the Listing Rules but not already exercised) within such specified period and to its full extent or to the extent specified in such notice to be issued by the Company. For the avoidance of doubt, the vesting schedule of any Option granted to a Related Entity Participant or a Service Provider shall not be accelerated by reason of such event.

5.5. Lapse on Company Reconstructions

In the event of a compromise or arrangement, other than a general offer or a scheme of arrangement contemplated under Rule 5.4 above, between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to an Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options whether in full or in part (to the extent vested in accordance with rule 17.03F of the Listing Rules but not already exercised), but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under this Scheme. The Company may require the Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. For the avoidance of doubt, the vesting schedule of any Option granted to a Related Entity Participant or a Service Provider shall not be accelerated by reason of such event.

5.6. Lapse on Winding-Up

In the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Option-holders (including Employee Participants, Related Entity Participants and Service Providers) (together with a notice of the

existence of the provisions of this paragraph) and thereupon, each Option-holder (including Employee Participants, Related Entity Participants and Service Providers) (or his personal representatives) is entitled to exercise all or any of his options (to the extent vested in accordance with rule 17.03F of the Listing Rules but not already exercised) at any time not later than two Business 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 Option 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, allot the relevant Shares to the Option-holder (being either an Employee Participant, a Related Entity Participant or a Service Provider) credited as fully paid. For the avoidance of doubt, the vesting schedule of any Option granted to a Related Entity Participant or a Service Provider shall not be accelerated by reason of such event.

5.7. Cancellation of Options

LR17.03(14)

- (a) The Board may cancel an Option granted but not exercised by an Option-holder with the approval of the Option-holder of such Option.
- (b) Where the Company cancels Option(s) granted to an Option-holder and makes a new grant to the same Option-holder, such new grant may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit (as defined in Rule 7 below). The Option(s) cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

6. Shares

6.1. Issue of Shares

Shares to be issued following the exercise of an Option will be issued as soon as reasonably practicable (and, unless otherwise agreed between the Company and the Option-holder, in any event within 30 days after the date on which correct payment in cleared funds of the Option Price for the number of Shares to be issued is received by the Company). However, if the Board considers that any restriction under any law or regulation or the rules of any stock exchange prevents the issue of Shares within this timeframe, the Shares will be issued or transferred within 30 days of the lifting of the restrictions.

6.2. Rights

LR17.03(10)
LR17.03(15)

No dividends (and distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. Shares allotted and issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

6.3. Consents

All allotments and issues of Shares or grant or exercise of Options will be subject to any necessary consent under any relevant enactments or regulations for the time being in force under any relevant local legislation or regulations. The Option-holder will be responsible for complying with any requirements to be fulfilled in order to obtain (or avoid the necessity for) any such consent.

6.4. Articles of Association

Any Shares acquired on the exercise of Options will be subject to the Articles of Association of the Company as amended from time to time.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

7.1. Scheme Mandate Limit and Service Provider Sublimit

LR17.03(3)
LR17.03B(1)
LR17.03B(2)

- (a) Subject to Rules 7.2 and 7.3, 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 Scheme must not in aggregate exceed 10% of the Shares of the Company in issue as at the Adoption Date ("**Scheme Mandate Limit**").
- (b) Subject to the above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Options to be granted to Service Providers under this Scheme and any options or awards granted under any Other Scheme shall not in aggregate exceed two per cent (2%) of the Shares of the Company in issue as at the Adoption Date ("**Service Provider Sublimit**").
- (c) Options or awards lapsed in accordance with the terms of this Scheme and any Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Options or awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

7.2. Refreshing the Scheme Mandate Limit and Service Provider Sublimit

LR17.03C(1)
LR17.03C(2)

- (a) The Company may seek approval by the shareholders of the Company in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three years from (i) the Adoption Date; or (ii) the date of the Shareholder's approval for the last refreshment (as the case may be).
- (b) Only insofar as and for so long as the Listing Rules require, any refreshment within any three-year period shall be approved by the Shareholders, subject to the following provisions:
 - (i) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company shall comply with the applicable requirements under the Listing Rules.
- (c) 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 under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of issued Shares as at the date of the Shareholders' approval for the refreshment. The Company shall send to the Shareholders a circular containing the details and information required under the Listing Rules, including the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.

7.3. Granting Options Beyond the Scheme Mandate Limit and the Service Provider Sublimit

LR17.03C(3)

The Company may seek separate approval from the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the Service Provider Sublimit, provided that the Options in excess of the Scheme Mandate Limit or the Service Provider Sublimit are granted only to the selected Eligible Persons specifically identified by the Company before such approval is sought. The Company shall issue a circular to the Shareholders containing the details and information required under the Listing Rules, including the name of each specified selected Eligible Person who may be granted such Options, the number and terms of the Options to be granted to each selected Eligible Person and the purpose of granting Options to the specified selected Eligible Persons with an explanation as to how the terms of the Options serve such purpose. The number and terms of such Options must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant (and to the extent such Board meeting is held on a day which is not a Business Day, the Business Day immediately preceding the date of such Board Meeting) should be taken as the Offer Date for the purpose of calculating the Option Price.

7.4. Individual Limit

- (a) Subject to Rule 7.4(b), where any grant of Options to a selected Eligible Person would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares, such grant of Options shall be approved by the Shareholders in general meeting with such selected Eligible Person and his close associates (or associates if such selected Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders containing the details and information required under Rule 7.4(b) and the Listing Rules.
- (b) The circular shall disclose the identity of the selected Eligible Person, the number and terms of the Options to be granted (and those previously granted to such selected Eligible Person in the 12-month period), the purpose of granting Options to such selected Eligible Person and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such selected Eligible Person must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant (and to the extent such Board meeting is held on a day which is not a Business Day, the Business Day immediately preceding the date of such Board Meeting) should be taken as the Offer Date for the purpose of calculating the Option Price.

LR17.03(4)
LR17.03D(1)
LR17.03D(2)

8. RESTRICTIONS ON GRANTS

8.1. Restriction on Grants to Key Individuals

- (a) Each grant of Options to an Eligible Person who is a Director (including an Independent Non-Executive Director), chief executive or Substantial Shareholder of the Company, or any of their respective associates, under this Scheme must be approved by the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the proposed grantee of the Options).
- (b) Where any grant of options to a Substantial Shareholder or an Independent Non-Executive Director, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and other options and awards granted under this Scheme and any other schemes of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person 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, such further grant of Options by the Board must be approved by the shareholders of the Company in general meeting in the manner as set out in Rule 8.1 **Error! Reference source not found.** below
- (c) In the circumstances described in Rule 8.1(b)(b) above, the Company shall send a circular to the Shareholders containing such details and information as required under the Listing Rules. The grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the relevant requirements under the Listing Rules.
- (d) The circular shall disclose the number and terms of the Options to be granted, the views of the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the proposed grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent shareholders as to voting, and information as may be required under the Listing Rules from time to time. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant (and to the extent such Board meeting is held on a day which is not a Business Day, the Business Day immediately preceding the date of such Board Meeting) should be taken as the Offer Date for the purpose of calculating the Option Price.

LR17.04

- (e) any change in the terms of Options granted to a selected Eligible Person who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, shall be approved by Shareholders in the manner as set out in Rule 8.1 **Error! Reference source not found.** above if the initial grant of the Options requires such approval under the Listing Rules (except where the changes take effect automatically under the existing terms of this Scheme).

8.2. Restriction on the time of grant of options

LR17.05

A grant of Options may not be made after inside information has come to the knowledge of the Company until such inside information has been announced as required under the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

9. REORGANIZATION OF CAPITAL STRUCTURE

9.1. Adjustments

LR17.03(13)

Subject to Rule 9.2 below, in the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization issue, rights issue, consolidation or sub-division of shares or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (a) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or
- (b) the Option Price,

as the Auditors or an independent financial adviser appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable.

9.2. Adjustment of Limits

The maximum number of Shares referred to in Rule 7.1, Rule 7.2, Rule 7.4 and Rule 8.1(b) will be adjusted, in such manner as the Auditors or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalization issue, rights issue, consolidation or sub-division of shares or reduction of the share capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

9.3. Conditions Governing Adjustment

Any adjustment under Rule 9.1 will be made in accordance with the following:

- (a) Any such adjustment shall be made on the basis that an Option-holder shall have the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which he was entitled before such adjustment;

- (b) no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Option-holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and
- (c) the Auditors or independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to rule 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Hong Kong Stock Exchange, except where such adjustment is made on a capitalization issue.

9.4. Methods of Adjustment

Subject to compliance with the requirements as provided in this paragraph, if there is any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of capital of the Company prior to the exercise of the Options, an adjustment to the number of Options shall be made accordingly. The method of adjustment is set out as below:

- (a) Conversion of capital reserve into new Shares, issue of bonus Shares or share sub-division

$$Q = Q0 \times (1 + n)$$

Where: "Q0" represents the number of Options before the adjustment; "n" represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share sub-division; "Q" represents the number of Options after the adjustment

- (b) Consolidation of Shares or share sub-division or reduction of the share capital

$$Q = Q0 \times n$$

Where: "Q0" represents the number of Options before the adjustment; "n" represents the ratio of consolidation or share sub-division or reduction of share capital; "Q" represents the number of Options after the adjustment.

- (c) Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: "Q0" represents the number of Options before the adjustment; "P1" represents the closing price as at the record date; "P2" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "Q" represents the number of Options after the adjustment.

Subject to compliance with the requirements as provided in this Rule 9, if there is any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of capital of the Company prior to the exercise of the Options, an adjustment to the exercise price of Options shall be made accordingly. The method of adjustment is set out below:

- (a) Conversion of capital reserve into new Shares, issue of bonus Shares or share sub-division

$$P = P0 \div (1 + n)$$

Where: "P0" represents the exercise price of Options before the adjustment; "n" represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share sub-division; "P" represents the exercise price of Options after the adjustment.

- (b) Consolidation of Shares or share sub-division or reduction of the share capital

$$P = P0 \div n$$

Where: "P0" represents the exercise price of Options before the adjustment; "n" represents the ratio of consolidation or share sub-division or reduction of share capital; "P" represents the exercise price of Options after the adjustment.

(c) Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: "P0" represents exercise price of Options before the adjustment; "P1" represents the closing price as at the record date; "P2" represents the exercise price of Options of the rights issue; "n" represents the ratio of allotment; "P" represents the exercise price of Options after the adjustment.

In respect of any adjustment referred to in this Rule 9, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

9.5. Capacity of Auditors or Independent Financial Advisers

The capacity of the Auditors or financial advisers in this Rule 9 is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Option-holder in the absence of fraud or manifest error. The costs of the Auditors or financial advisers shall be borne by the Company.

9.6. Notification of Adjustment

The Company will notify an Option-holder of any adjustments made in accordance with Rule 9.

10. AMENDMENT

LR17.03(18)

10.1. Amendments to this Scheme

- (a) Subject to the provisions of this Rule 10, the Board may amend any of the provisions of this Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any Option-holder at that date).
- (b) The shareholders of the Company in general meeting must approve in advance by ordinary resolution any proposed amendment which is to the advantage of present or future Option-holders, and which relates to the following:
 - (i) the purpose of this Scheme;
 - (ii) the definition of "Eligible Person" in Rule 1;
 - (iii) the limitations on the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme as provided for in Rules 7.1, 7.2 and 8.1(b);
 - (iv) the maximum entitlement of each Eligible Person under this Scheme as provided in Rule 7.4;
 - (v) the definition of "Option Period" in Rule 1;
 - (vi) the terms of Rule 3.5 regarding payment on grant;
 - (vii) the basis of determination of the Option Price under this Scheme;

- (viii) the voting, dividend, transfer and other rights attaching to the Options and the Shares including those arising on liquidation of the Company;
 - (ix) the duration of this Scheme under Rule 2.2;
 - (x) the circumstances under which Options will automatically lapse;
 - (xi) the adjustments provisions applicable in the event of a capitalization issue, rights issue, consolidation or sub-division of shares or reduction of capital of the Company under Rules 9.1, 9.3, 9.4 and 9.6;
 - (xii) the cancellation of Options granted but not exercised under Rule 5.7;
 - (xiii) the treatment of Options on termination of this Scheme under Rule 11;
 - (xiv) the restriction on the transfer of Options under Rule 3.6; or
 - (xv) the terms of this Rule 10.1(b).
- (c) Any amendments to the terms and conditions of this Scheme which are of a material nature or any amendments to the advantage of present or future Option-holders in respect of matters contained in rule 17.03 of the Listing Rules may only be made with the approval of the Shareholders save where the amendments take effect automatically under the existing terms of this Scheme.
- (d) Subject to Rules 10.1(b) and (c), the Board need not obtain the approval of the Shareholders general meeting for any minor amendments:
- (i) to benefit the administration of this Scheme;
 - (ii) to comply with or take account of the provisions of any proposed or existing legislation;
 - (iii) to take account of any changes to any legislative or regulatory requirements; or
 - (iv) to obtain or maintain favorable tax, exchange control or regulatory treatment of any member of the Group or any present or future Option-holder.
- (e) The amended terms of this Scheme must still comply with Chapter 17 of the Listing Rules.

10.2. Amendments to terms of Options

LR17.03(18)

Any amendments to the terms of any Options granted may only be made with the approval of the Board, the remuneration committee of the Board, the Independent Non-Executive Directors and/or shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Board, the Independent Non-Executive Directors and/or shareholders of the Company (as the case may be) save where the amendments take effect automatically under the existing terms of this Scheme.

10.3. Authority of the Board

Any change to the authority of the Board in relation to any amendment of these Rules may only be made with the approval of the Shareholders in general meeting.

11. TERMINATION

- 11.1. This Scheme will expire automatically on the day immediately preceding the 10th anniversary of the Adoption Date.

11.2. The Board may terminate this Scheme at any time without shareholders' approval by resolving that no further Options shall be granted under this Scheme.

11.3. Upon termination of this Scheme under Rule 11.2, no new offers to grant Options under this Scheme will be made and any Options which have been granted but not yet exercised shall either:

- (a) continue to be valid subject to these Rules and exercisable until expiry of the relevant Option Period subject to and in accordance with the provisions of this Scheme which shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of this Scheme; or
- (b) be cancelled in accordance with Rule 5.7.

LR17.03(16)

12. GENERAL

12.1. Notices

- (a) Any notice or other document which has to be given to an Eligible Person or Option-holder under or in connection with this Scheme may be delivered to the Eligible Person or Option-holder or sent by post or facsimile transmission or e-mail to him at his home postal address, home or work e-mail address or facsimile number according to the records of his employing company or such other address as the Company reasonably considers appropriate.
- (b) Any notice or other document which has to be given to the Company under or in connection with this Scheme may be delivered or sent by post to it at its registered office (or such other place as the Board may from time to time decide and notify to Option-holders) or by facsimile transmission to the central facsimile number of the Company.
- (c) Notices sent by post will be deemed to have been given by the Company on the first day after the date of posting, and by the Option-holder on the date of receipt by the Board.

12.2. Availability of Shares

The Company will keep available for allotment sufficient unissued Shares for all Options under which Shares may be subscribed.

12.3. Administration

- (a) The responsibility for administration of this Scheme shall rest with the Board. The Board, may, however, appoint an administrator or administrators in relation to this Scheme (or certain aspects thereof) on such terms as the Board may determine.
- (b) The decision of the Board on the interpretation of these Rules or as to whether any circumstances exist which may affect the treatment of any Option or any Option-holder under these Rules or in any dispute relating to any Option or matter relating to this Scheme will be final and binding (in the absence of manifest error).

12.4. Terms of Employment

- (a) Nothing in this Scheme will in any way be construed as imposing on any member of the Group or any Related Entity a contractual obligation to any Eligible Person to offer participation in this Scheme.
- (b) Any person who ceased to be an employee of any member of the Group or Related Entity because of lawful dismissal or termination of employment or who is under notice of such lawful dismissal or termination of employment will in no circumstances be

entitled to claim any compensation in respect of the operation of this Scheme (except as expressly provided under this Scheme).

12.5. Withholding

The Employer may withhold any amount and make any such arrangements, including the sale of any Shares on behalf of an Option-holder as it considers necessary to meet any liability to taxation or social security contributions in respect of any Option granted to the Option-holder pursuant to this Scheme. These arrangements may include the sale of any Shares on behalf of an Option-holder, unless the Option-holder discharges the liability himself.

12.6. General Notices

The Option-holder shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares generally, provided that the Option-holders are deemed to have received such notices and documents if and when they are posted on the Company's website.

12.7. Taxation

Each Option-holder shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.

12.8. Costs

The Company will pay the costs of establishing and administering this Scheme.

13. GOVERNING LAW

The law of the Hong Kong Special Administrative Region governs this Scheme and all Options and their construction. The Company, each Member of the Group and each Option-holder must submit to the exclusive jurisdiction of the Hong Kong courts in all matters relating to this Scheme and any Option.