

BRADAVERSE EDUCATION (INT'L) INVESTMENTS GROUP LIMITED
源宇宙教育(國際)投資集團有限公司

RULES RELATING TO SHARE OPTION SCHEME
ADOPTED BY THE SHAREHOLDERS
IN THE ANNUAL GENERAL MEETING
HELD ON 21 DECEMBER 2023

CONTENTS

Rule	Page
1. DEFINITIONS	3
2. PURPOSE AND PARTICIPANTS OF THE SCHEME	8
3. CONDITIONS	9
4. DURATION AND ADMINISTRATION	10
5. OFFER AND GRANT OF OPTIONS	11
6. SUBSCRIPTION PRICE	15
7. EXERCISE AND CANCELLATION OF OPTIONS	16
8. LAPSE OF OPTION	22
9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION	23
10. REORGANISATION OF CAPITAL STRUCTURE	25
11. SHARE CAPITAL	26
12. DISPUTES	27
13. ALTERATION TO THIS SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THIS SCHEME	27
14. TERMINATION	28
15. CLAWBACK	28
16. MISCELLANEOUS	29

BRADAVERSE EDUCATION (INT’L) INVESTMENTS GROUP LIMITED
源宇宙教育(國際)投資集團有限公司
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

SHARE OPTION SCHEME

1. DEFINITIONS

1.01 In this Scheme, save where the context otherwise requires, the following expressions have the following meanings:–

“Acceptance Period” shall have the meaning ascribed thereto under Clause 5.03;

“Adoption Date” means 21 December 2023 (the date on which this Scheme is conditionally adopted by an ordinary resolution of the Shareholders);

“Allotment Date” means in respect of any particular Grantee and a particular exercise by such Grantee of the Option granted to such Grantee, the date on which Shares are allotted to the Grantee or his personal representative(s) (as the case may be) pursuant to the Option granted and exercised hereunder;

“Applicable Laws” means any applicable laws, rules or regulations having the force of law in Bermuda as they may be issued and enforced from time to time;

“Bye-laws” means the bye-laws of the Company;

“associates” shall have the meaning ascribed thereto under the Listing Rules;

“Auditors” means the auditors of the Company for the time being;

“Board” means the board of Directors from time to time, which for the purposes of this Scheme shall include any committee of the board of directors duly constituted from time to time to administer this Scheme and to which the functions and responsibilities of the board of Directors under this Scheme have been delegated;

“business day”	means any day on which the Stock Exchange is open for the business of dealing in securities;	
“chief executive”	shall have the meaning ascribed thereto under the Listing Rules;	
“close associates”	shall have the meaning ascribed thereto under the Listing Rules;	
“Company”	means Bradaverse Education (Int’l) Investments Group Limited (源宇宙教育(國際)投資集團有限公司), a company incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability;	
“connected person”	shall have the meaning ascribed thereto under the Listing Rules;	
“core connected person”	shall have the meaning ascribed thereto under the Listing Rules;	
“Director(s)”	means the director(s) (whether executive or non-executive) of the Company;	
“Eligible Participant(s)”	means:	17.03(3) 17.03A(1)
	a) the Employee Participants; and	
	b) the Related Entity Participants	
“Employee Participant(s)”	means directors (whether executive or non-executive) and employees (whether full time or part time) of the Company or any of its Subsidiaries (including persons who are granted Options as an inducement to enter into employment contracts with the Company or any of its Subsidiaries);	
“Grantee”	means any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled, in accordance with the laws of succession applicable, to exercise any Option to the extent not already exercised in consequence of the death of an original Grantee;	

“Group”	means the Company and the Subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of the time being of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Committee”	shall have the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Main Board”	means the stock market operated by the Stock Exchange, which excludes GEM and the options market;
“Offer”	means an offer for the grant of an Option made in accordance with Clause 5 ;
“Offer Date”	means the date of the Offer Letter, which date must be a business day, on which an Offer is made to an Eligible Participant;
“Offer Letter”	means a letter setting out the terms of the Offer given by the Company to the Eligible Participant pursuant to Clause 5.03 ;
“Option”	means an option to subscribe for Shares granted pursuant to this Scheme;
“Option Period”	means in respect of any particular Option, such period to be notified by the Board to each Grantee in the Offer Letter during which the Grantee may exercise such Option subject to the terms of the grant (including but not limited to the vesting period set out in Clauses 7.04 and 7.05), the expiry date of such period not to exceed ten (10) years from the Offer Date;

17.03(5)

“personal representative(s)”	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“Refreshed Scheme Mandate Limit”	shall have the meaning ascribed thereto under Clause 9.01(c) ;
“Related Entities”	means the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participants”	means directors (whether executive or non-executive) and employees (whether full time or part time) of the Related Entities (including persons who are granted Options as an inducement to enter into employment contracts with the Related Entities);
“Remuneration Committee”	means the remuneration committee of the Company;
“Scheme”	means this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	shall have the meaning ascribed thereto under Clause 9.01(a) ;
“Selected Participant(s)”	any Eligible Participant or his personal representative who accepts the Offer in accordance with this Scheme;
“Share Registrar”	means the Hong Kong branch share registrar of the Company from time to time;

“Shares”	means the ordinary shares of HK\$0.05 each in the share capital of the Company and unless the context otherwise requires, references to “Shares” include references to shares in the share capital of the Company of such other nominal amount as shall result from a sub-division or a consolidation, reclassification or reconstruction of the share capital of the Company from time to time forming part of the ordinary equity share capital of the Company and “Share” means each and any one of such Shares;
“Shareholder(s)”	means holder(s) of Shares from time to time;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Price”	means the price per Share multiplied by the relevant number of Shares in respect of which a Grantee may subscribe on the exercise of an Option as described in Clause 6 , subject to adjustment as mentioned in Clause 10 ;
“Subsidiary(ies)”	shall have the meaning ascribed thereto under the Listing Rules; and
“substantial shareholder”	shall have the meaning ascribed thereto under the Listing Rules.

1.02 In this Scheme, save where the context otherwise requires:–

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to Clauses are references to clauses of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;

- (d) references to the Listing Rules shall be construed as references to the Listing Rules as amended or modified or supplemented by other provisions, guidance notes, practice notes and/or announcements issued by the Stock Exchange from time to time;
- (e) expressions in the singular shall include the plural and vice versa;
- (f) expressions in any gender shall include other genders; and
- (g) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

2. PURPOSE AND PARTICIPANTS OF THE SCHEME

- 2.01 The purpose of this Scheme is to recognise and acknowledge the past and future contributions of the Eligible Participants to the Group, and to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contributions to the Group with the view to achieving the principal objectives of (i) recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group; and (ii) motivate the Eligible Participants whose contributions are, will or expected to be beneficial to the Group. 17.03(1)
- 2.02 In determining the eligibility of each Eligible Participant, the Board would take into account relevant factors as appropriate, including, among others: 17.03(2)
17.03A(2)
- a) the skills, knowledge, experience, expertise and other relevant personal qualities of the Eligible Participant;
 - b) the Eligible Participant's performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
 - c) the contribution made or expected to be made by the Eligible Participant to the growth of the Group;
 - d) the length of service of the Eligible Participant with the Group; and
 - e) the Group's overall business objectives and future development plan.

2.03 For Related Entity Participant, the Board would take into account additional assessing factors which include, among others:

- a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group;
- b) the period of engagement or employment of the Related Entity Participant by the Group;
- c) the number, scale and nature of the projects in which the Related Entity Participant is involved;
- d) whether the Related Entity Participant has or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationships;
- e) whether the Related Entity Participant has or expected to assist the Group in tapping into new markets and/or increased its market share; and
- f) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

3. CONDITIONS

3.01 This Scheme shall take effect subject to the fulfilment of the conditions set out as follows:-

- (a) the passing of an ordinary resolution by the Shareholders in a general meeting to terminate the share option scheme of the Company adopted on 8 December 2020;
- (b) the passing of ordinary resolution(s) by the Shareholders to approve and adopt this Scheme with this Scheme Mandate Limit, and to authorise the Board to grant the Options hereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under this Scheme; and

- (c) the Listing Committee granting approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under this Scheme.

4. DURATION AND ADMINISTRATION

- 4.01 Subject to **Clause 3.01** and **Clause 14**, this Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period no further Options will be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects with respect to Options granted during the life of this Scheme. 17.03(11)

- 4.02 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all persons who may be affected thereby. The Board shall, subject to the Listing Rules, have the right:
 - (a) to interpret and construe the provisions of this Scheme;
 - (b) to determine the persons who will be granted Options under this Scheme, the number of Shares granted thereto and the Subscription Price;
 - (c) determine the Option Period, the vesting period and other relevant terms and conditions of each Option;
 - (d) subject to **Clause 13**, make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary;
 - (e) subject to **Clause 13**, adopt the 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;
 - (g) appoint one or more independent third-party professionals and contractors to assist in the administration of this Scheme as the Board deems appropriate; and
 - (h) to make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme in accordance with the Listing Rules.

- 4.03 The Company shall indemnify and hold harmless each officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated to the fullest extent permitted by the Bye-laws of the Company.
- 4.04 A grantee shall ensure that the acceptance of an Offer, the holding and exercise of his Option are in accordance with this Scheme, the issue of Shares to him upon the exercise of his Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Board may, as a condition precedent of issuing Shares upon an exercise of an Option, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.

5. OFFER AND GRANT OF OPTIONS

- 5.01 On and subject to the terms of this Scheme and only when in compliance with the Listing Rules applicable from time to time, the Board shall be entitled but shall not be bound at any time and from time to time within ten (10) years from the Adoption Date to make an Offer to any Eligible Participant as the Board may at its absolute discretion select to take up Options to subscribe for such number of Shares, being a board lot for dealing in Shares on the Main Board or an integral multiple thereof, as the Board may determine, at the Subscription Price. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (including, without limitation, any minimum period for which an Option must be held before it can be exercised, any performance targets which must be achieved before an Option can be exercised, and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances) as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of this Scheme.

- 5.02 Subject to the rules of this Scheme, the Listing Rules and any Applicable Laws, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power from time to time to establish and administer performance targets (if any) that must be fulfilled by a Selected Participant before any of the Options may be vested to such Selected Participants under such grant of Options. Such performance targets shall 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 groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Participants. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Selected Participant. The finance department of the Company shall be responsible for compiling a performance appraisal report on statistics relating Group-level performance targets and the human resources department of the Company shall be responsible for compiling a performance appraisal report based on the Group's performance appraisal results and the individual performance appraisal results, which will be submitted to the Board or such committee of the Board or person(s) delegated with its authority, for consideration and approval. For the avoidance of doubt, unless stated in the relevant Offer Letter, the Options shall not be subject to any performance targets, criteria or conditions. 17.03(7)
- 5.03 An Offer shall be made to an Eligible Participant by letter (the “**Offer Letter**”) in such form as the Board may from time to time determine specifying the number of Shares and the Option Period in respect of which the Offer is made and requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant concerned for such period as determined by the Board (the “**Acceptance Period**”), which period shall not be more than fourteen (14) days from the Offer Date, provided that no such Offer shall be open for acceptance after the tenth (10th) anniversary of the Adoption Date or after this Scheme has been terminated in accordance with the provisions hereof.

- 5.04 An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect with retrospective effect from the Offer Date when the duplicate letter comprising acceptance of the Offer, duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance/payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. 17.03(8) Such remittance/payment shall in no circumstances be refundable or be deemed to be a part payment of the Subscription Price. Such Offer Date shall be deemed to be the date of grant of the relevant Option for all purposes of this Scheme except that in determining the date of grant for the purpose of calculating the Subscription Price under **Clause 6** where **Clause 5.08, 9.01(d)** or **9.02** applies, the date of the Board meeting for proposing the grant or further grant of Options as referred to in **Clause 5.08, 9.01(d)** or **9.02** (as the case may be) should be adopted as the date of grant rather than the relevant Offer Date for the sole purpose of calculating the Subscription Price under **Clause 6**.
- 5.05 Any Offer may be accepted by an Eligible Participant concerned for less than the number of Shares for which it is offered to such Eligible Participant provided that such Offer is accepted in respect of a board lot for dealing in Shares on the Main Board or an integral multiple thereof and such number shall be clearly stated in the duplicate letter comprising acceptance of the Offer. To the extent that the Offer is not accepted within 17.03(12) the Acceptance Period in the manner indicated in **Clause 5.04**, it shall be deemed to have been irrevocably declined and shall lapse automatically.
- 5.06 Any Offer must not be made after inside information has come to the Company's 17.05 knowledge until (and including) the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules and, in particular, no Eligible Participant shall be granted an Option during the period commencing one (1) month immediately before the earlier of: -
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's result for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) 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 announcement for such results. For the avoidance of doubt, no Options shall be granted as mentioned above during any period of delay in publishing a results announcement.

- 5.07 Any grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee). 17.04(1)
- 5.08 Where Options are proposed to be granted to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, and the proposed grant of Options would result in the total number of Shares issued and to be issued in respect of all Options granted under this Scheme and all options and awards granted under any other share schemes of the Company (excluding any Options and awards lapsed in accordance with the terms of this Scheme or any other share schemes 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 total number of Shares in issue on the Offer Date, such further grant of Options must be approved by the Shareholders taken on a poll in general meeting. In addition, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**. At the said general meeting, the Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except that any such person may vote against the proposed grant provided that his/her intention to do so has been stated in the relevant circular to the Shareholders). In connection with the aforesaid, the Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. 17.04(3)
17.04(4)
- 5.09 In the circumstances described in **Clause 5.08**, a circular to the Shareholders must be prepared and sent by the Company containing: 17.04(5)
- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the shareholder's meeting;
 - (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its shareholders as a whole, and their recommendation to the independent shareholders as to voting;
 - (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and

(d) the information required under Rule 2.17 of the Listing Rules. Any change in the terms of Options granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner set out in this **Clause 5.09** if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

5.10 The Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

5.11 No Options shall be listed or dealt in on the Stock Exchange.

6. SUBSCRIPTION PRICE

6.01 The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to **Clause 10**, be a price notified by the Board to each Grantee and shall be at least the highest of:– ^{17.03(9)}
^{17.03E}

- (a) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date or, where **Clause 5.08, 9.01(d)** or **9.02** applies, on the date of the Board meeting referred to therein which is taken to be the date of grant for the purpose of calculating the Subscription Price;
- (b) the average closing price per Share as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date or, where **Clause 5.08, 9.01(d)** or **9.02** applies, preceding the date of the Board meeting referred to therein which is taken to be the date of grant for the purpose of calculating the Subscription Price; or
- (c) the nominal value of a Share.

7. EXERCISE AND CANCELLATION OF OPTIONS

- 7.01 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or equitable) in favour of any third party over or in relation to any Option or attempt to do so, unless a waiver is granted by the Stock Exchange. Any breach of this **Clause 7.01** by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company. 17.03(17)
- 7.02 An Option may be exercised in whole or in part by the Grantee in the manner as set out in **Clauses 7.02** and **7.03** (or, in the case of **Clause 7.03(b)** only, by his personal representative(s)), by giving notice before the expiry of such Option in writing to the Company stating that the Option is thereby exercised and the number of Shares (in a board lot or an integral multiple thereof as described in **Clause 5.01**) in respect of which it is exercised. Each such notice must be accompanied by a remittance/payment for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and remittance/payment of the full amount of the Subscription Price and, where appropriate, receipt of the certificate from the Auditors or an independent financial adviser pursuant to **Clause 10**, the Company shall allot and instruct the Share Registrar to issue, the relevant number of Shares to the Grantee (or his personal representative(s), as the case may be) credited as fully paid and issue to the Grantee (or his personal representative(s), as the case may be) a share certificate in respect of the Shares so allotted and issued. The provisions in this **Clause 7.02** in relation to the procedures for the exercise of an Option are subject to such other procedures as the Board may determine from time to time, which shall be final and binding on all persons who may be affected thereby.

7.03 Subject as hereinafter provided in this Scheme and subject to the terms and conditions upon which such Option was granted, an Option may be exercised by a Grantee at any time during the Option Period provided that:– 17.03(5)

- (a) in the event that the Grantee ceases to be an Eligible Participant for any reason other than his death or the termination of his employment, directorship, appointment or engagement on one or more of the grounds specified in **Clause 8(d)** or his resignation as provided in **Clause 8(e)**, the Grantee may exercise the Option in accordance with the provisions of **Clause 7.02** up to his entitlement at the date of cessation, and such Option (to the extent not already exercised) shall lapse on the date of cessation of such employment or directorship. The date of cessation as aforesaid shall be the last working day with the Company, the relevant Subsidiary or the relevant Related Entity whether salary or compensation is paid in lieu of notice or not, or the last date of office or appointment, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant Subsidiary or the relevant Related Entity shall be conclusive;
- (b) in the event that the Grantee (being an individual) ceases to be an Eligible Participant by reason of death and none of the events which would be a ground for termination of his employment, directorship, appointment or engagement under **Clause 8(d)** arises, the personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months after the date of death (or such longer period as the Board may determine or, if any of the events referred to in **Clauses 7.03(d), 7.03(e) and 7.03(f)** occurs during such period, his personal representative(s) may exercise the Option pursuant to **Clauses 7.03(d), 7.03(e) and 7.03(f)** within such period) to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable but not already exercised);
- (c) if a Grantee (being a corporation):–
 - (i) commences winding up by whatever means, whether voluntarily or not;
or
 - (ii) suffers a change in its constitution, management, directors, shareholding or beneficial ownership which in the opinion of the Board is material,

the Option (to the extent not already exercised) shall lapse on the date of the commencement of winding up of the Grantee or on the date of notification by the Company that the said change in constitution, management, directors, shareholding or beneficial ownership is material, as the case may be, and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed by reason of material change in the constitution, management, directors, shareholding or beneficial ownership as aforesaid shall be final and conclusive;

- (d) if a general (or partial) offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), the terms of which have been approved by any relevant regulatory authority and are in accordance with the Applicable Laws and regulatory requirements and becomes, or is declared unconditional prior to the expiry of the Option, the Company shall within seven (7) days of such offer becoming or being declared unconditional give notice thereof to the Grantee, whereupon the Grantee (or his personal representative(s)) shall be entitled to exercise the Option in full or in part in accordance with **Clause 7.02** (to the extent which has become exercisable but not already exercised) at any time within fourteen (14) days after the date of such notice and, to the extent any of the Options have not been so exercised, such Options shall upon the expiry of such period lapse;

- (e) in the event that a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as it despatches such notice of the proposed general meeting to each shareholder of the Company give notice thereof to the Grantee (or his personal representative(s)), who may, by notice in writing to the Company (such notice to be received by the Company not later than five (5) business days prior to the proposed general meeting) accompanied by a remittance/payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, exercise the Option (to the extent which has become exercisable but not already exercised) either to its full extent or to the extent specified in such notice and the Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise, credited as fully paid up and register the Grantee as holder thereof. Any Options shall, to the extent they have not been so exercised, lapse and determine; and

- (f) if, pursuant to the Bye-laws or the Applicable Laws, a compromise or arrangement between the Company and its members and/or creditors is proposed for the purpose 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 all Grantees (or to their personal representatives) on the same day as it gives notice to the members or creditors of the Company summoning a meeting to consider such compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:–
 - (i) the date two (2) calendar months thereafter; and
 - (ii) the date on which such compromise or arrangement is sanctioned by the court,

exercise his Option (to the extent which has become exercisable but not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the Grantee 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 Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been so exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

7.04 Save in the circumstances prescribed in **Clause 7.05** below, an Option must be held by the Grantee for not less than twelve (12) months before the Option can be exercised. 17.03(6)
17.03F

7.05 The Board shall have the authority to determine a shorter vesting period under any of the following circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the awards or options they forfeited when leaving the previous employer;
- (b) grants to a Grantee whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;

- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
 - (f) grants of Options with a total vesting and holding period of more than 12 months.
- 7.06 The Share(s) to be issued and allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the Allotment Date and accordingly will entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date, provided always that when the date of exercise of an Option falls on a date upon which the register of members of the Company is closed, then the exercise of such Option shall become effective on the first business day on which the register of members of the Company is re-opened. 17.03(15)
- 7.07 The Options themselves, however, do not carry any voting, dividend, transfer or other rights, including those arising on a liquidation of the Company, prior to their being exercised and the underlying Shares being issued. 17.03(10)
- 7.08 Any Option granted but not exercised may be cancelled in whole or in part and at any time: 17.03(14)
- (a) if agreed between the Company and the relevant Grantee; or
 - (b) if the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or
 - (c) if the Company pays or procures to be paid to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the closing price of a Share as stated on the Stock Exchange's daily quotations sheet on the date of cancellation and the Subscription Price,
- 7.09 Where the Company cancels the Options and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit or Refreshed Scheme Mandate Limit as referred to in **Clause 9.01** below. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be).

8. LAPSE OF OPTION

17.03(12)

The right to exercise an Option shall lapse automatically and become not exercisable (to the extent not already exercised) immediately upon the earliest of:–

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in **Clauses 7.03(a), (b), (c), (d), (e) or (f)**;
- (c) subject to **Clause 7.03(e)**, the date of the commencement of the winding-up of the Company;
- (d) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of the employment, directorship, appointment or engagement of such Grantee on any one or more of the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or other contracts or agreements of the Grantee with the Company, the relevant Subsidiary or the relevant Related Entity for the employment, appointment or engagement, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the service contract, letter of appointment or other contract or agreement for the employment, appointment or engagement of the Grantee with the Company, the relevant Subsidiary or the relevant Related Entity. A resolution of the Board or the board of directors or governing body of the relevant Subsidiary or the relevant Related Entity to the effect that the employment, directorship, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this **Clause 8(d)** shall be conclusive;
- (e) the date on which the resignation of the Grantee is received by the Company, the relevant Subsidiary or the relevant Related Entity (as the case may be); or
- (f) the date on which the Grantee commits a breach of **Clause 7.01**.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.01 (a) The total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company must not, in aggregate, exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless shareholders’ approval has been obtained pursuant to **paragraphs (b) and (c)** or **paragraph (d)** below. Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. 17.03(3)
17.03B(1)
- (b) The Company may seek approval by the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit after three (3) years from date of shareholders’ approval for the last refreshment (or the Adoption Date). Any “refreshment” within any three (3) year period must be approved by the Shareholders subject to the following provisions: 17.03C(1)(a)
17.03C(1)(b)
- (i) any controlling Shareholders and their associates (or if there is no controlling shareholder of the Company, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under **sub-paragraphs (i) and (ii)** of this **paragraph (b)** do not apply if the refreshment is made immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2) (a) of the Listing Rules such that the unused part of each of the Scheme Mandate Limit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share. 17.03C(1)(c)

- (c) The total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company under the Scheme Mandate Limit as “refreshed” must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”). The Company must send a circular to the Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the “refreshment”. Options previously granted under this Scheme and any other share schemes of the Company (including those outstanding, cancelled, lapsed in accordance with this Scheme or any other share schemes of the Company and exercised Options) will not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit. Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Refreshed Scheme Mandate Limit. 17.03C(2)
- (d) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) provided that the Options in excess of the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to its shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**. 17.03C(3)
- (e) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the share schemes of the Company under the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

9.02 Where any grant of Options to an Eligible Participant would result in the total number of Shares issued and to be issued in respect of all Options granted under this Scheme and all options and awards granted under any other share schemes of the Company to such Eligible Participant (excluding any options or awards lapsed in accordance with the terms of this Scheme or any other share schemes 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 Shares in issue as at the date of such grant (the “**1% Individual Limit**”), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. A circular must be sent by the Company to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant 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 Eligible Participant 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 should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**.

17.03(4)
17.03D(1)
17.03D(2)

10. REORGANISATION OF CAPITAL STRUCTURE

10.01 In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, reduction of the share capital of the Company, then, in any such case the Company shall request the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

17.03(13)

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price;
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in a Share Option or which remain comprised in a Share Option, and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:
 - (i) no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value;

- (ii) such adjustments shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was entitled before such adjustments;
- (iii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment must be made in compliance with the Listing Rules (including, without limitation, Chapter 17 thereof) and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

10.02 The capacity of the Auditors or the independent financial adviser in **Clause 10.01** is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and all the Grantees. The costs of the Auditors or the independent financial adviser (as the case may be) shall be borne by the Company.

10.03 Notice of any such alteration in the capital structure of the Company and the corresponding adjustments to be made as referred to in **Clause 10.01** shall be given to all Grantees (or their personal representatives) by the Company, which may, but need not, call in Option certificates or other evidence of entitlement to the Option, if any, for endorsement or replacement.

11. SHARE CAPITAL

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

12. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to Option, (where applicable) whether all or part of the Option has been vested, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Board in the first instance, which decision shall, in the absence of manifest error, be final and binding on the Company and the Grantee. The Board, in their sole discretion, may refer such dispute to the decision of the Auditors or the independent financial adviser appointed by the Company, who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on the Company and the relevant Grantee. In such case, the cost of Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

13. ALTERATION TO THIS SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THIS SCHEME

13.01 Subject to the Listing Rules, all provisions of this Scheme may be altered from time to time in any respect by a resolution of the Board provided that:– 17.03(18)

- (a) any alterations of the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting;
- (b) any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme;
- (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board to alter the terms of this Scheme must be approved by the Shareholders in general meeting,

14. TERMINATION

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of this Scheme and in such event no further Options shall be offered but the provisions of this Scheme shall remain in full force and effect in all other respects in respect of any Options granted prior thereto but not yet exercised or in respect of which Shares are not yet issued to the Grantees at the time of termination. Upon such termination, details of the Options granted (including Options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of such termination shall be disclosed in the circular to the Shareholders seeking approval of the first new scheme to be established or refreshment of scheme mandate limit under any other existing share scheme of the Company after such termination. 17.03(16)

15. CLAWBACK

15.01 If any of the following events shall occur during an Option Period: 17.03(19)

- (a) the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance or has breached any non-competition or non-disclosure agreement entered into with the Group;
- (b) the Grantee has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Bye-laws;
- (c) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company;
- (d) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission of Hong Kong or has been convicted of any criminal offence; or
- (e) the Grantee has failed to discharge, or failed to discharge properly, his/her duties or fail to comply with the Company's internal policies, adhere to the terms of his/her employment agreement, or demonstrate a satisfactory level of performance, resulting in significant loss, reputational damage, legal or regulatory consequences, or any other serious and adverse consequences to the Company,

the Board may, (but is not obliged to) by notice in writing to the Grantee concerned (i) clawback such number of Options (to the extent not being exercised) granted as the Board may consider appropriate; or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred, if applicable) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Board may consider appropriate. The Options that are clawed back pursuant to this **Clause 15** shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be).

16. MISCELLANEOUS

- 16.01 Save as otherwise provided in **Clause 12**, the Company shall bear the costs of establishing and administering this Scheme including any costs of the independent financial adviser or the Auditors in relation to the preparation of any certificates or the provision of any other services by them in relation to this Scheme.
- 16.02 The Company shall provide a copy of this Scheme to all Grantees on joining this Scheme and notify them of all changes to the terms thereof during the life of this Scheme.
- 16.03 A Grantee (or his personal representative(s)) shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares.
- 16.04 Any notice or other communication between the Company and a Grantee shall be in writing (in either English language or Chinese language) and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong at Unit 1708, 17/F, Tower II, Admiralty Centre, No. 18 Harcourt Road, Hong Kong or such other address as notified to the Grantees from time to time and, in the case of the Grantee, his residential address as notified to the Company from time to time.
- 16.05 Any notice or other communication shall be deemed to have been served, if served by personal delivery, at the time of delivery; and if by pre-paid post:—
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post if to an address in Hong Kong and on the seventh day after posting if to an address outside Hong Kong; and
 - (b) by the Grantee to the Company to its principal place of business in Hong Kong (and marked for the attention of the Company Secretary) shall not be deemed to have been served until the same shall have been received by the Company.

- 16.06 All allotments and issues of Shares shall be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and Bermuda and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option and complying with all relevant regulatory requirements of any country or jurisdiction in relation to the grant or exercise of the Options. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or comply with such regulatory requirements or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. The Company shall not be responsible for the lapse of any Options granted to any Eligible Participant as referred to in **Clause 8**.
- 16.07 If at the time of issue of Shares pursuant to the exercise of an Option, Shares already in issue are listed on the Main Board, then forthwith after such exercise the Company shall use all reasonable endeavours to procure that the Shares to be issued upon the exercise of such Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on the Main Board.
- 16.08 This Scheme shall not form part of any contract of employment, appointment or engagement between the Company or any of its Subsidiaries and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment or engagement shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason. Furthermore, an Eligible Participant shall not be entitled to any right to compensation or damages or any other benefit whatsoever for the loss of any rights under this Scheme due to the termination of such office or employment or engagement for any reason.
- 16.09 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting the Options themselves) against the Company or any of its Subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or any of its Subsidiaries.
- 16.10 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong. All relevant parties to this Scheme shall submit to the non-exclusive jurisdiction of the Hong Kong courts.