

SIMPLICITY HOLDING LIMITED
倩碧控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8367)

SHARE SCHEME

Adopted on 18 January 2024 pursuant to an ordinary resolution passed by the shareholders at the extraordinary general meeting on 18 January 2024

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1. DEFINITIONS

1.01 In this Scheme the following expressions have the following meanings:

“ Adoption Date ”	18 January 2024 (the date on which the Scheme is conditionally adopted by the Shareholders);
“ associates ”	has the meanings ascribed to it under the Listing Rules;
“ Auditors ”	the auditors for the time being of the Company;
“ Award ”	an award of a conditional right to receive Share(s) granted pursuant to this Scheme;
“ Board ”	the board of directors of the Company or a duly authorised committee thereof;
“ business day ”	a day (excluding Saturday) upon which banks are open for business in Hong Kong;
“ chief executive ”	has the meanings ascribed to it under the Listing Rules;
“ close associates ”	has the meanings ascribed to it under the Listing Rules;
“ Company ”	SIMPLICITY HOLDING LIMITED 倩碧控股有限公司
“ connected person ”	has the meanings ascribed to it under the Listing Rules;
“ controlling shareholder ”	has the meanings ascribed to it under the Listing Rules;
“ core connected person ”	has the meanings ascribed to it under the Listing Rules;

“Director”	directors of the Company;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 7;
“Financial Adviser”	an independent financial adviser engaged by the Company;
“Grantee”	any Participant who accepts the Offer of the grant of any Option or Award in accordance with the terms of the Scheme or (where the context so permits) a person entitled to any such Option or Award in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“inside information”	has the meanings ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited;
“Offer”	the offer of the grant of an Option or Award made in accordance with Clause 6;
“Offer Date”	the date on which an Option or Award is offered to a Participant (which must be a business day);
“Option”	an option to subscribe for Shares granted and accepted pursuant to the Scheme and for the time being subsisting;
“Option Period”	the period for the exercise of an Option to be notified by the Board to the Grantee in the Offer, but in any event shall not exceed 10 years from the Offer Date;
“Participant”	(a) directors and employees of any member of the Group (including persons who are granted Options or Awards under this Scheme as an inducement to enter into employment contracts with any member of the Group) (“ Employee Participants ”); (b) directors and employees of

	the holding companies, fellow subsidiaries or associated companies of the Company (“ Related Entity Participants ”);
“ Purchase Price ”	the price (if any) payable by the Grantees for acquiring the Shares underlying an Award as determined by the Board;
“ Scheme ”	this share scheme in its present form or as amended in accordance with the provisions hereof;
“ Scheme Period ”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the 10 th anniversary thereof;
“ Share(s) ”	the ordinary share(s) in the capital of the Company with a par value of HK\$0.01 each (or of such other nominal amount of the shares comprising the ordinary share capital of the Company as shall result from a sub-division, consolidation, reduction, reclassification or reorganization of such shares from time to time) of the Company;
“ Shareholders ”	holders of the Shares from time to time;
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited;
“ subsidiary ”	has the meanings ascribed to it under the Listing Rules;
“ substantial shareholder ”	has the meanings ascribed to it under the Listing Rules;
“ trading day ”	has the meanings ascribed to it under the Listing Rules;
“ Trust ”	a trust as may be established by the Company for the purpose of administration of this Scheme;
“ Trustee ”	the trustee as may be appointed by the Company from time to time for the purpose of the Trust;
“ vest ”	(a) in respect of Shares underlying an Option, the Grantee becoming entitled to exercise the Option to subscribe for or acquire such Shares; and (b) in

respect of Shares underlying an Award, the Grantee becoming entitled to receive such Shares;

“Vesting Date” the date to be determined by the Board on which an Option or Award is to be vested in such Grantee; and

“Vesting Period” the period commencing on the Offer Date and ending on the Vesting Date.

- 1.02 Clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References herein to Clauses are to clauses of this Scheme.
- 1.03 References to masculine gender include references to the feminine and neuter gender and references to the singular include references to the plural and vice versa.
- 1.04 Any reference to a time of a day in the Scheme is a reference to Hong Kong time.

2. CONDITIONS

This Scheme shall take effect subject to the passing of the necessary resolution to adopt the Scheme by the Shareholders in general meeting and is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued pursuant to the exercise of any Options or Awards which may be granted under the Scheme.

3. PURPOSES OF THE SCHEME

- 3.01 The purpose of this Scheme is to enable the Company to grant Options or Awards to the Participants as incentives or rewards for their contributions to the Group.
- 3.02 The Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives:
 - (a) motivate the Participants to optimise their performance and efficiency; and
 - (b) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

4. DETERMINATION OF ELIGIBILITY

The basis of eligibility of any participant to the grant of any Option or Award shall be determined by the Board (or as the case may be, the independent non-executive directors) from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group after taking into account of, among others, the Participant's qualification and experience, performance, time commitment, responsibilities, length of engagement with the Group and actual or potential contribution to the business objectives of the Group.

5. DURATION AND ADMINISTRATION

- 5.01 Subject to Clause 16, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof, after which period no further Options or Awards shall be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects in respect of Options or Awards which are granted during the Scheme Period and which remain unvested or which have vested but not yet been exercised immediately prior to the termination of this Scheme.
- 5.02 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties. Without limiting the generality of the foregoing, the Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Options or Awards pursuant to this Scheme; (c) determine the terms on which the Options or Awards are granted; (d) make such adjustments to the terms of this Scheme and of the Options or Awards granted pursuant to this Scheme; and (e) make such other decisions or determinations as it shall deem appropriate, provided that the same are not inconsistent with the provisions of this Scheme and the Listing Rules.
- 5.03 To satisfy the Awards after vesting, the Board may in its absolute discretion allot and issue new Shares to the Grantee and/or acquire existing Shares through on-market or off-market purchases.
- 5.04 The Company may, in its absolute discretion, establish a Trust and appoint a Trustee to assist with the administration, exercise and vesting of Options or Awards granted pursuant to this Scheme. The Company may, to the extent permitted by the Listing Rules and applicable laws, (a) allot and issue Shares to the Trustee and/or (b) direct and procure the Trustee to make on-market or off-market purchases of Shares, in either case to satisfy the Awards or Options upon vesting or exercise. The Company shall, to the extent permitted by applicable laws, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration, vesting and exercise of Options or Awards. The Trustee shall not exercise the voting rights attached to the Shares allotted and issued to the Trustee and/or acquired by the Trustee

through on-market or off-market purchases for the purpose of this Scheme before such Shares are vested.

6. GRANT OF OPTION OR AWARD

- 6.01 On and subject to the terms of the Scheme, the Board shall be entitled at any time and from time to time within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select.
- 6.02 An Offer shall be made to a Participant on a trading day by letter in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Option or Award on the terms on which it is to be granted and to be bound by the provisions of the Scheme and shall remain open for acceptance by the Participant concerned for a period of 21 days from the Offer Date (inclusive of the Offer Date) provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the Scheme has been terminated. The letter of Offer shall specify the terms on which the Option or Award is to be granted, including:
- (a) whether it is a grant of Option and/or Award;
 - (b) the number of Shares underlying the Option or Award;
 - (c) the Vesting Date and any performance conditions or other conditions that must be satisfied in order for the Option or Award to vest in whole or in part;
 - (d) the Exercise Price and Exercise Period of the Option and/or the Purchase Price of the Award; and
 - (e) any other terms which may be imposed or not imposed either on a specific Option or Award or generally, provided such terms shall not be inconsistent with any other terms and conditions of this Scheme.
- 6.03 An Offer shall be deemed to have been accepted and an Option or Award to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect on the Offer Date when a letter in such form as the Board may from time to time determine signifying acceptance of the Option or Award is duly signed by the Grantee.
- 6.04 To the extent that the Offer of the grant of an Option or Award is not accepted within 21 days in the manner indicated in Clause 6.03, it will be deemed to have been irrevocably rejected by the Participant and the Offer shall lapse and become null and void.
- 6.05 A grant of Options or Awards may not be made after inside information has come to the Company's knowledge until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately before the earlier of:
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of

the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to publish an announcement 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 or Award may be granted. No Option or Award may be granted during any period of delay in publishing a results announcement.

7. VESTING CONDITIONS AND EXERCISE PRICE

7.01 The Board may from time to time, in its absolute discretion, determine the Vesting Date upon which the Options or Awards may be vested in that Grantee in respect of all or a proportion of such Options or Awards. The Vesting Period in respect of any Option or Award shall be not less than twelve (12) months. A shorter Vesting Period may be granted to the Employee Participants at the discretion of the Board in any of the following circumstances:

- (a) grants of "make-whole" Options or Awards to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options or Awards 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 or Award would have been granted;
- (d) grants with a mixed or accelerated vesting schedule such as where the Option or Award may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
- (f) the Remuneration Committee is of the view that a shorter Vesting Period is appropriate and serves the purpose of the Scheme.

7.02 Subject as aforesaid and other provisions of the Listing Rules, the Board may in its absolute discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Option or Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options

or Awards granted to any Grantee) to any Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Scheme.

- 7.03 The Exercise Price shall be a price solely determined by the Board and notified to a Participant and shall be at least the higher of : (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.
- 7.04 The Board may in its absolute discretion determine whether the Grantee is required to pay any Purchase Price for the acquisition of the Shares underlying the Award.

8. VESTING AND EXERCISE

- 8.01 An Option or Award 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 in favour of any third party over or in relation to any Option or Award (where the Grantee is a company, any change of its major shareholder or any substantial change in its management will be deemed to be a sale or transfer of interest as aforesaid). Any breach of these restrictions will automatically render the Options or Award lapsed. Subject to the Stock Exchange granting the necessary waiver, a Grantee may transfer any Options or Awards to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the Scheme and comply with other requirements of Chapter 23 of the Listing Rules. In the event of any such transfer, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.
- 8.02 Subject to Clauses 8.03 and 8.04, an Option or Award may be exercised in whole or in part after the same has become vested and (in case of an Option) during the Exercise Period by the Grantee (or, as the case may be, his legal personal representatives) giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option or Award is thereby exercised and the number of Shares in respect of which it is exercised (which, except where the number of Shares in respect of which the Option or Award remains unexercised is less than one board lot or where the Option or Award is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price or Purchase Price (if any) of the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the confirmation from the Auditors or Financial Adviser

(as the case may be) pursuant to Clause 12, the Company shall issue and allot or procure the transfer of (as the case may be) the relevant Shares, credited as fully paid, to the Grantee (or his legal personal representatives). Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or may be prohibited from dealing in Shares by the Listing Rules or any other applicable laws, regulations or rules within such period, the relevant Shares shall be allotted and issued or transferred (as the case may be) to the Grantee as soon as possible after such dealing ceases to be prohibited.

- 8.03 (a) In the event that the Grantee (being an individual) dies before exercising the Option or Award in full, the Board shall determine at its absolute discretion whether any such Option or Award shall vest and the date of such vesting and whether his legal personal representative(s) may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse automatically.
- (b) In the event that the Grantee is an employee of the Group when an Offer or Award is made to him and he subsequently ceases to be an employee of the Group for any reason other than his death or termination of his employment on one or more of the grounds specified in Clause 9(d), the Board shall determine at its absolute discretion whether any such Option or Award shall vest and the date of such vesting and whether the Grantee may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse automatically.
- (c) In the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee by reason of a termination of his employment on one or more of the grounds specified in Clause 9(d) and the Grantee has exercised the Option in whole or in part pursuant to Clause 8.02, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option;
- (d) In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the Grantee may exercise any such Option or Award and the period during which it may be exercised. If the Board determine that any such Award or Option shall not vest or exercisable, such Award or Option shall lapse automatically.

- (e) In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to any applicable laws, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the Grantee may exercise any such Option or Award and the period during which it may be exercised prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the "Suspension Date"). With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options or Awards shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options or Awards shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options or Awards under this Clause 8.03(e) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement 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 Grantees to exercise their respective Options or Awards 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 such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.
- (f) In the event a notice is given by the Company to its members 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 member of the Company give notice thereof to all Grantees and the Board shall determine at its absolute discretion whether any Option or Award shall vest and the date of such vesting and whether the Grantee may exercise any such Option or Award and the period during which it may be exercised prior to the proposed general meeting of the Company. If the Board determine that any such Option or Award shall not vest or exercisable, such Option or Award shall lapse automatically.

- 8.04 The Shares to be allotted upon the exercise of an Option or Award will be subject to all the provisions of the constitutional documents of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to the same rights on voting, transfer and other rights, including those arising on a liquidation of the Company and to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, save that the Shares allotted upon the exercise of any Option or Award shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.
- 8.05 Any Award which is not exercised within 28 days after the same has become vested, or such longer period as the Board may determine, shall lapse automatically.

9. LAPSE OF OPTION OR AWARD

An Option or Award shall lapse automatically and not be exercisable on the earliest of:-

- (a) the expiry of the Option Period or the period referred to in Clause 8.05;
- (b) the date on which the compromise or arrangement becoming effective referred to in Clauses 8.03(e);
- (c) the date of the commencement of the winding-up of the Company referred to in Clauses 8.03(f);
- (d) in the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) 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 Grantee's service contract with the Group, the date of cessation of his employment with the Group. A resolution of the Board or the board of directors of the relevant member of the Group to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 9(d) shall be conclusive and binding on the Grantee;

- (e) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty; and
- (f) the date on which the Grantee commits a breach of Clause 8.01.

The Options and Awards lapsed in accordance with these rules of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. The Board has the absolute discretion to determine whether, when and to what extent an Option or Award has lapsed, and its decision is final, conclusive and binding.

10. MAXIMUM NUMBER OF SHARES TO BE ISSUED

- 10.01 (a) The maximum number of Shares which may be issued in respect of all Options or Awards to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed [115,083,969] Shares, being 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”). Options or Awards lapsed in accordance with the terms of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (as defined below).
- (b) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options or Awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit 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.
- (c) The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the Scheme after three years from the date of Shareholders’ approval for the last refreshment (or the adoption of the Scheme).
- (d) Any refreshment within any three year period must be approved by Shareholders of the Company subject to the following provisions:
- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 17.47(6) and (7), 17.47A, 17.47B and 17.47C of the Listing Rules or such other provisions as required under Rule 23.03(C) of the Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- (e) The total number of Shares which may be issued in respect of all Options or Awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Options or Awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- (f) The Company may seek separate approval by the Shareholders in general meeting for granting Options or Awards beyond the Scheme Mandate Limit provided the Options or Awards in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Participants who may be granted such Options or Awards, the number and terms of the Options or Awards to be granted to each Participants, and the purpose of granting Options or Awards to the specified Participants with an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of Options or Awards to be granted to such Participants 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 Exercise Price under the Listing Rules.

10.02 Where any grant of Options or Awards to a Participant would result in the Shares issued and to be issued in respect of all Options or Awards granted to such person (excluding any Options or Awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue (the "**Individual Limit**"), such grant must be separately approved by Shareholders of the Company in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Participant, the number and terms of the Options or Awards to be granted (and those previously granted to such Participant in the 12-month period), the purpose of granting Options or Awards to the Participant and an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of the Options or Awards to be granted to such 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 Exercise Price under the Listing Rules.

11. GRANT TO CONNECTED PERSONS

- 11.01 Notwithstanding the aforesaid, any grant of Options or Awards to any director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is an offeree of an Option or Award) and shall comply with the relevant provisions of Chapter 23 of the Listing Rules.
- 11.02 Where any grant of Awards (excluding grant of Options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) 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 relevant class of shares in issue, such further grant of Awards must be approved by Shareholders in general meeting in the manner set out in Rule 23.04(4) of the Listing Rules.
- 11.03 Where any grant of Options or Awards to independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options or Awards granted (excluding any Options and Awards lapsed in accordance with the terms of this Scheme) 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 relevant class of shares in issue, such further grant of Options or Awards must be approved by Shareholders of the Company in general meeting. The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rule 23.04(4) of the Listing Rules.
- 11.03 Any change in the terms of Options or Awards granted to a Grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders for the Company in the manner as set out in Rule 23.04(4) of the Listing Rule if the initial grant of the Options or Awards requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).

12. REORGANISATION OF CAPITAL STRUCTURE

- 12.01 In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in

respect of a transaction to which the Company is party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Option or Award; and/or
- (b) the Exercise Prices or Purchase Prices (as the case may be),

provided that any such adjustment shall give a Grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled, rounded to the nearest whole Share, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value. No adjustments to the Exercise Price or Purchase Price or the number of Shares would be made to the advantage of the Participants without specific prior Shareholders' approval.

In respect of any such adjustments (other than any made on a capitalisation issue), the Auditors or the Financial Adviser (as the case may be) must confirm in writing to the Board that the adjustments satisfy the requirements set out in the note to Rule 23.03(13) of the Listing Rules. The capacity of the Auditors or the Financial Adviser (as the case may be) in this Clause 12 is that of experts and not of arbitrators and their confirmation shall be final and binding on the Company and the Grantees. The costs of the Auditors or the Financial Adviser (as the case may be) shall be borne by the Company.

13. SHARE CAPITAL

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

14. DISPUTES

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board whose decision shall be final, conclusive and binding on all persons who may be affected thereby.

15. ALTERATION OF THE SCHEME

15.01 The Scheme may be altered in any respect by a resolution of the Board subject to the followings:

- (a) any alterations to 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 23.03 of the Listing Rules to the advantage of the Grantee must be approved by the Shareholders of the Company in general meeting;

- (b) any change to the terms of Options or Awards granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options or Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company, (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme;
- (c) the amended terms of the Scheme, the Options or the Awards must still comply with the relevant requirements of Chapter 23 of the Listing Rules; and
- (d) any change to the authority of the Directors, Trustee or scheme administrators to alter the terms of the Scheme must be approved by Shareholders of the Company in general meeting.

16. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options or Awards will be offered but Options or Awards granted prior to such termination but not yet exercised or in respect of which Shares are not yet issued to the Grantees shall continue to be valid and exercisable in accordance with provisions of the Scheme.

17. CANCELLATION

Any cancellation of Options or Awards granted but not exercised may be effected on such terms as may be agreed with the relevant Participant, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Options or Awards and issues new ones to the same Option or Award holder, such new grant may only be made under the Scheme with available Scheme Mandate Limit approved by Shareholders in accordance with Chapter 23 of the Listing Rules. The Options or Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sub-limit.

18. MISCELLANEOUS

- 18.01 The Scheme shall not constitute, affect or form part of any contract of employment or appointment between the Company or any member of the Group

and any Participant nor confer upon such person any right to employment or continued employment with the Company or any member of the Group and the rights and obligations of any Participant under the terms of his or her office or employment or appointment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or appointment for any reason.

- 18.02 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options or Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 18.03 No person shall, under any circumstances, hold the Board and/or the Company and/or other Participants liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 18.04 Save for liabilities referred to in Clause 18.07, the Company shall bear the costs of establishing and administering the Scheme.
- 18.05 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or as notified to the Grantees from time to time and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.
- 18.06 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 18.07 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option or Award. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme, the grant of an Option or Award to him and / or the exercise of the Option or Award by him.
- 18.08 The Scheme and all Options and Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.