

BOSIDENG INTERNATIONAL HOLDINGS LIMITED
(A company incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

(Adopted on August 20, 2024)

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PREAMBLE

1. DEFINITIONS

1.1 In this Scheme, the following expressions have the following meanings:

<i>Adoption Date</i>	means August 20, 2024 (being the date of adoption of the Scheme by the shareholders of the Company);
<i>Articles of Association</i>	means the articles of association of the Company in force from time to time;
<i>associate</i>	has the meaning ascribed to it in the Listing Rules;
<i>Auditors</i>	means the auditors for the time being of the Company;
<i>Board</i>	means the board of directors from time to time of the Company or a duly authorized committee thereof;
<i>Board Lot</i>	means the board lot in which Shares are traded on the Stock Exchange from time to time;
<i>business day</i>	means any day (excluding Saturday) on which banks in Hong Kong generally are open for business and the Stock Exchange is open for the business of dealing in securities;
<i>Companies Ordinance</i>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;
<i>Company</i>	means Bosideng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
<i>core connected person</i>	has the meaning ascribed thereto under the Listing Rules;
<i>Eligible Person</i>	means Employee Participant(s), Service Provider(s) and Related Entity Participant(s) who in the sole discretion of the Board has contributed or will contribute to the Group;
<i>Employee Participant</i>	means any director of the Company (including independent non-executive director of the Company) or employee of the Group (whether full-time or part-time) (including persons who are granted Options under the

Scheme as an inducement to enter into employment contracts with the Group);

Grantee means any Eligible Person who accepts the Offer of grant of any Option in accordance with the terms of the Scheme and, where the context so permits, a person or persons who is or are entitled to exercise any such Option in consequence of the death of the original Grantee;

Group means the Company and its subsidiaries;

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

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

Inside Information has the meaning ascribed to it in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) from time to time;

Listing Rules means The Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time;

Offer shall have the meaning given to it in Clause 6.3;

Option means a right to subscribe for Shares granted pursuant to the terms of the Scheme;

Option Period means, in respect of any particular Option, the period during which the Option may be exercised as determined by the Board and notified to each Grantee pursuant to Clause 6.3. Such period may commence on a day after the Adoption Date and in any event shall end not later than ten (10) years from the date of grant of Options, subject to the provisions for early termination thereof contained herein;

PRC means the People's Republic of China;

Related Entity includes the holding companies, fellow subsidiaries or associated companies of the Company;

Related Entity Participant includes director(s) and employee(s) of a Related Entity;

<i>Scheme</i>	means this share option scheme, as the same may be amended from time to time;
<i>Service Provider</i>	means person(s) and/or corporate entity(ies) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, the eligibility of which is determined in accordance with the factors under Clause 4.6;
<i>Shares</i>	means shares of US\$0.00001 each in the share capital of the Company (or of such other nominal amount as may result from a sub-division, consolidation, reclassification or reconstruction of such share capital from time to time) that are listed on the Stock Exchange, at the discretion of the Board;
<i>Stock Exchange</i>	means The Stock Exchange of Hong Kong Limited;
<i>Subscription Price</i>	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 8, subject to adjustments in accordance with Clause 14;
<i>subsidiary</i>	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company;
<i>substantial shareholder</i>	has the meaning ascribed to it in the Listing Rules;
<i>Treasury Shares</i>	means Shares repurchased and held by the Company in treasury, as authorized by the laws of the Cayman Islands and the Articles of Association;
<i>US\$</i>	means the lawful currency of the United States of America;
<i>Vesting</i>	means the Options being vested and exercisable by the Eligible Persons; and
<i>Vesting Period</i>	means the period during which the Options shall be vested in the Eligible Persons, in accordance with Clause 7.

- 1.2 Clause headings are for reference only and shall be ignored in the interpretation of the Scheme. References herein to Clauses are to clauses of the Scheme.
- 1.3 Unless the context otherwise requires, references to the *singular* shall include the *plural* and vice versa, and references to one *gender* shall include all genders.
- 1.4 References to any *enactment* or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted.

2. PURPOSE

- 2.1 The purpose of the Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Company or its subsidiaries (as the case may be), and to motivate them to think as shareholders and strive for the future development and expansion of the Group, by providing them with the opportunity to be granted equity interests in the Company.

3. CONDITIONS

- 3.1 The adoption of the Scheme shall be subject to the following conditions:
 - (a) the passing of ordinary resolution(s) by the shareholders of the Company at a general meeting to (1) approve and adopt the Scheme; (2) authorize the Board to grant Options under the Scheme; and (3) authorize the Board to allot and issue Shares or to transfer the Treasury Shares (if any) pursuant to the exercise of any Options to be granted pursuant to the Scheme; and
 - (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may fall to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme.

4. WHO MAY JOIN AND CRITERIA FOR DETERMINING ELIGIBLE PERSONS

- 4.1 The Board may, in its absolute discretion, grant Options to any Eligible Person comprising of: (i) any Employee Participant; (ii) any Related Entity Participant; and (iii) any Service Provider.
- 4.2 In determining the basis of eligibility of each Eligible Person, the Board will take into consideration matters including but without limitation to the present and future contributions of the relevant Eligible Person, the performance of the relevant Eligible Person as well as the Group's overall business objectives and future

development plan.

- 4.3 In the case of Service Providers, such category of participants include independent contractors, consultants, agents, advisers, distributors and service providers of any member of the Group who provide services (including (i) subcontracted services relating to the procurement of down, fabric, ancillary and other raw materials, and the production of textile and clothing products of the Group; (ii) distribution services relating to the operation of online and offline retail outlets for the Group's products; (iii) technical consulting services on the principal business activities in the development of its research and development capabilities; and (iv) the market and business development services relating to the promotion of the brands and products of the Group) to the Group to support the Group's business activities for the time being and in the future.
- 4.4 In respect of the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including but not limited to, the nature and extent of contributions provided by such Employee Participants to the Group, the special skills or technical knowledge possessed by such Employee Participants which is beneficial to the continuing development of the Group, the positive impacts which such Employee Participant has brought to the Group's business and development and whether granting an Option to such Employee Participant is an appropriate incentive to motivate, retain and attract such Employee Participants to continue to contribute towards the betterment of the Group.
- 4.5 In respect of the eligibility of Related Entity Participants, the Board will consider all relevant factors as appropriate, including but not limited to, the experience of the Related Entity Participants on the Group's business, the length of engagement with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant(s) gave or is likely to give or make towards the success of the Group in the future.
- 4.6 In respect of the eligibility of Service Providers, the Board will consider all relevant factors as appropriate, including but not limited to, (i) the favorable pricing offered by long-term cooperative Service Providers; (ii) the length of business relationship between the specialized Service Providers and the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit; and

(vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long-term support that the Group may receive accordingly.

5. DURATION AND ADMINISTRATION

5.1 Subject to Clause 18, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options shall be granted under the Scheme, but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

5.2 The Company may issue new Shares and/or utilize Treasury Shares (if any) to satisfy grants of the Options under this Scheme.

5.3 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.

6. GRANT OF OPTIONS

6.1 On and subject to the terms of the Scheme, the Board shall be entitled at any time and from time to time within ten (10) years after the Adoption Date to make an Offer to any Eligible Person as the Board may in its absolute discretion select, an Option to subscribe for such number of Shares (being a Board Lot or an integral multiple thereof) as the Board may determine at the Subscription Price, provided that the Board shall not grant any Eligible Person an option if a prospectus is required to be issued in connection with such grant under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any other applicable laws. The Board may in its absolute discretion specify such conditions as well as the Vesting Period as it thinks fit when making an Offer to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its subsidiaries, before an Option may be vested), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under applicable laws or the Listing Rules.

6.2 The Directors shall not make any Offer to any Eligible Person:

- (a) after Inside Information has come to the knowledge of the Company until the Company has announced the information; or
- (b) during the period commencing 30 days immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under 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
- (ii) the deadline for the Company to announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

6.3 An offer of grant of an Option shall be made to any Eligible Person by letter (each, an *Offer*) in such form as the Board may from time to time determine, specifying the number of Shares comprised in the Option, the Subscription Price, the Option Period during which the Option may be exercised and the date by which the Option must be accepted being a date not more than thirty (30) days after the date of the Offer, and requiring the Eligible Person, by signing and returning a duplicate of the Offer, to accept the Offer and to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

6.4 An Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate of the Offer duly signed by the Eligible Person (the *Grantee*) together with a payment to the Company or any of its subsidiaries, as the case may be, of HK\$1.00 (or the equivalent of HK\$1.00 in the local currency of any jurisdiction where the Company and/or its subsidiaries, as the case may be, operate) by way of consideration for the grant thereof is received by the Company within the time period specified in the Offer. Such remittance shall in no circumstances be refundable and shall not be deemed to be a part payment of the Subscription Price.

6.5 Any Offer may be accepted or deemed to have been accepted in part provided that it is accepted in respect of a Board Lot or an integral multiple thereof. To the extent that the Offer is not accepted within thirty (30) days from the date upon which it is made in the manner indicated in Clause 6.4, it will be deemed to have been irrevocably declined.

7. VESTING PERIOD OF OPTIONS

7.1 The Vesting Period shall be determined by the Board, and save for the circumstances prescribed in Clause 7.2, shall not be less than 12 months after the date of grant.

7.2 Options with a shorter Vesting Period than the minimum as stated in Clause 7.1 above, may be granted to the Employee Participants at the discretion of the Board

(or the remuneration committee of the Company where the arrangements relate to grant of Options to directors and/or senior managers of the Company) only in any of the following circumstances:

- (a) grants of “make-whole” Options to new Employee Participants 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 disability, death, retirement or occurrence of any uncontrollable event;
- (c) grants that are made in batches during a year for administrative and compliance reasons for delay, these Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batches. In such case, the Vesting Period may be shorter to reflect the time from which the Options would have been granted;
- (d) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which is considered appropriate and serves the purpose of this Scheme to provide flexibility to grant Options (i) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraph (a) and (d)); (ii) to reward past contributions which may otherwise be neglected due to administrative or technical reasons (sub-paragraph (b) and (c)); (iii) to reward exceptional performers with accelerated vesting (sub-paragraph (d)); (iv) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (e)); and (v) in exceptional circumstances such as death, ill-health or retirement of Employee Participants (sub-paragraph (a) to (e)) to provide appropriate safeguards to the interests of the relevant Employee Participants so as to be in line with market standards.

8. SUBSCRIPTION PRICE

8.1 The Subscription Price in respect of any Option shall be a price determined by the Board and notified to any Eligible Person (subject to any adjustments made pursuant to Clause 14) which shall be the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day;

- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

9. EXERCISE OF OPTIONS

- 9.1 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 in favor of any third party over or in relation to any Option or enter into any agreement to do any of the foregoing. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Option granted to such Grantee (to the extent not already exercised).
- 9.2 The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as a trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet the purpose of this Scheme and comply with the requirements of the Listing Rules.
- 9.3 A Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) may exercise his Option in whole or in part (but, if in part, only in respect of a Board Lot or any integral multiple thereof) in the manner as set out in Clause 9.4 by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares to be subscribed. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within thirty (30) days (excluding any period(s) of closure of the Company's share register) after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' certificate pursuant to Clause 14, the Company shall allot and issue the relevant Shares to the Grantee (or, if applicable, the Grantee's nominee under Clause 9.1 on the Grantee's behalf, or the Grantee's legal personal representative(s)) credited as fully paid and issue to the Grantee (or his nominee or legal personal representative(s)) a share certificate in respect of the Shares so allotted.
- 9.4 Subject as hereinafter provided in the Scheme, any conditions specified by the Board pursuant to Clause 6.1, the Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) may exercise his Option at any time or times during the Option Period, provided that:
- (a) if a general offer (whether by way of take-over offer, share buyback 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 association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all the Grantees (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company). If such offer, having been approved or conducted in accordance with applicable laws and regulatory requirements becomes effective, or becomes or is declared unconditional, each Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) shall be entitled to exercise the Option up to his entitlement (to the extent not already exercised) at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional;

- (b) in the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, notice thereof shall be given by the Company to Grantees (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) with Options outstanding in full or in part at such date. If a Grantee immediately prior to such event had any such outstanding Option, the Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) may by notice in writing to the Company within thirty (30) days after the date of such resolution elect to be treated as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either up to his entitlement or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Grantee will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election;
- (c) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reorganization of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees

(or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) (together with a notice of the existence of the provisions of this Clause) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) shall be entitled to exercise the Option up to his entitlement at any time prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the Court for the purpose of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminate. The directors of the Company shall endeavor to procure that the Shares issued as a result of the exercise of Options under this Clause 9.4(c) 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 (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the 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 (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) as a result of the aforesaid suspension.

- 9.5 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date the name of the Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal

representative(s)) is registered on the register of members of the Company and accordingly will entitle each Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) to participate in all dividends and other distributions paid or made on or after the date the name of the Grantee (or, if applicable, the Grantee's nominee under Clause 9.1 on the Grantee's behalf, or the Grantee's legal personal representative(s)) is registered on the register of members of the Company 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 date of allotment.

- 9.6 A Share issued upon the exercise of an Option shall not carry voting rights until the date after the name of the Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)) is registered on the register of members of the Company.
- 9.7 Upon the exercise of an Option by a Grantee (or, if applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)), the Company shall, if applicable, make all necessary arrangements to facilitate the exercise of the Option by such Grantee (or his nominee or legal personal representative(s)) in accordance with applicable laws.

10. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

- 10.1 Vesting shall be subject to performance targets, if any, to be satisfied by the Grantees as determined by the Board from time to time. The performance targets may comprise a mixture of attaining satisfactory key performance indicators components (such as the business performance and financial performance of the Group or departmental and individual performance based on the annual performance assessment results) which may vary among the Grantees and be specified in the letter of Offer.
- 10.2 Subject to the absolute discretion of the Board, upon the occurrence of any of the following events, no further Options shall be granted to such Grantee and the Options granted to such Grantee shall be clawed back and lapse accordingly on the date as determined by the Board (if such Options are unvested):
- (a) the Grantee has failed to perform his/her duties effectively or committed a serious breach or dereliction of his/her duties; or
 - (b) the Grantee has not performed or duly performed his/her duties, causing the Company to suffer a material loss in terms of assets and other material adverse impact; or

- (c) the Grantee has engaged in the acceptance or solicitation of bribes, corruption, theft, leaking commercial and technological secrets of the Company, conducting related party transactions to the prejudice of the interests and reputation of the Company, and other illegal behaviors having a material adverse impact on the image of the Company, any Related Entity or any Service Provider and has been sanctioned; or
- (d) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group, any Related Entity or any Service Provider; or
- (e) the Grantee has failed to comply with any non-compete covenants or any terms and conditions of a similar effect under their respective contract with the Group.

10.3 Options granted and vested to such Grantee but not yet exercised, shall be clawed back and lapse automatically forthwith and shall no longer be exercisable.

10.4 Options granted and vested to, and already exercised by such Grantee, shall be clawed back, and the Grantee shall return to the Company, as determined by the Board at its sole and absolute discretion, either (1) the exact number of the relevant underlying Shares in respect of such Options, or (2) the monetary amount equivalent to the value of the relevant underlying Shares of the Options.

11. LAPSE OF OPTIONS

11.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) in relation to any unvested Options only, the date of cessation of such Grantee's status as an Employee Participant, a Related Entity Participant or a Service Provider, which:

- (i) in the case of an Employee Participant or a Related Entity Participant, such date of cessation shall be his last actual working day with the Company or any Related Entity, whether salary is paid in lieu of notice or not; or

in the case of a Service Provider, such date of cessation shall be the date of expiry of the relevant fixed term contract without any extension or renewal by the Company or Related Entity, or the date of cessation as notified in writing to the Service Provider,

provided that whether any one or more of the events specified above occur in relation to a Grantee shall, in its reasonable opinion, be solely and conclusively determined by the Board; or

- (b) the expiry of the Option Period;
- (c) the expiry of any of the periods referred to in Clauses 9.4(a) or 9.4(b);
- (d) subject to Clause 9.4(c), the date of the commencement of the winding-up of the Company;
- (e) the date as specified by the Board referred to in Clause 10.2; or
- (f) the date on which the Grantee commits a breach of Clause 9.1.

12. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 12.1 The total number of Shares which may be issued (including any transfer of Treasury Shares) in respect of all Options that may be granted at any time under the Scheme together with options and awards which may be granted under any other share schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date (“**Scheme Mandate Limit**”) (i.e. _____ Shares), unless the Company obtains the approval of its shareholders in accordance with Clause 12.3. Options lapsed in accordance with the terms of the Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- 12.2 Subject to Clause 12.1, within the Scheme Mandate Limit, the total number of Shares which may be issued upon the exercise of all Options to be granted to Services Providers under this Scheme shall not exceed 3% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date (“**Service Provider Sublimit**”) (i.e. _____ Shares).
- 12.3 The Company may seek the approval of its shareholders in general meeting to refresh the Scheme Mandate Limit (including the Service Provider Sublimit) at any time after three years from the Adoption Date or the date of the Shareholders’ approval for the last refreshment, such that the total number of Shares which may be issued (including any transfer of Treasury Shares) upon exercise of (i) all Options that may be granted under the Scheme and (ii) the options and awards to be granted under any other share schemes of the Company as refreshed shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed limit (or 3% in respect of the Service Provider Sublimit). Options and/or awards previously granted under the Scheme or options and/or

awards granted under any other share schemes, including options and/or awards outstanding, cancelled or lapsed in accordance with the relevant share schemes or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed. Any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, where any controlling shareholders and their associates (or if there is no controlling shareholder, directors of the Company (excluding independent non-executive directors of the Company) and the chief executive of Company and their respective associates) must abstain from voting in favor of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules.

- 12.4 The Company may seek the approval of its shareholders in general meeting to grant Options which will result in the number of Shares in respect of all the Options granted under the Scheme and all the Options and/or awards granted under any other share scheme exceeding 10% of the total number of Shares in issue (excluding Treasury Shares), provided that such Options are granted only to Eligible Persons specifically identified by the Company before the approval of its shareholders is sought.
- 12.5 No Option and/or awards may be granted to any one person such that the total number of Shares issued and to be issued (including any transfer of Treasury Shares) upon the exercise of Options and/or awards granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the total number of Shares in issue (excluding Treasury Shares) from time to time unless the Company obtains the approval of its shareholders in general meeting in accordance with Rule 17.03(4) of the Listing Rules.

13. GRANT OF OPTIONS TO CORE CONNECTED PERSONS

- 13.1 The independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is an Eligible Person of the Option(s)) will be required to approve each grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates.
- 13.2 If a grant of Options to a substantial shareholder or an independent non-executive director of the Company, or their respective associates, will result in the total number of Shares issued and to be issued (including any transfer of Treasury Shares) upon the exercise of Options and/or awards granted and to be granted (including Options exercised, cancelled and outstanding) 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 (excluding Treasury Shares) from time to time, such further grant of Options will be required to be approved by the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is a Grantee of the Options) and the shareholders of the Company in general meeting. The Company will send a circular to its shareholders containing such information as is required under Chapter 17 of the Listing Rules. The Eligible Person, his associates and all core connected persons of the Company will be required to abstain from voting in favor at such general meeting.

14. REORGANIZATION OF CAPITAL STRUCTURE

14.1 In the event of a capitalization issue, rights issue, consolidation or subdivision of Shares or a reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) while any Option remains exercisable, such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of Shares, the subject matter of the Option (insofar as it is unexercised); and/or
- (b) the aggregate number of Shares subject to outstanding Options; and/or
- (c) the Subscription Price of the Options granted (insofar as they are unexercised),

as the Auditors shall certify in writing to the Board either generally or, if applicable, as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any adjustment shall be made on the basis that the proportion of the total number of Shares in issue to which a Grantee is entitled after such adjustment shall remain the same, or as nearly as possible the same as that to which he was entitled before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments. The Auditors shall, for the purposes of this Clause 14, act as experts and not as arbitrators, and their certification shall be final and binding on the Company and the Grantees. The costs of the Auditors shall be borne by the Company.

14.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 14.1, the Company shall, upon receipt of a notice from the Grantee (or, if

applicable, the Grantee's nominee under Clause 9.2 on the Grantee's behalf, or the Grantee's legal personal representative(s)), inform the Grantee (or his nominee or legal personal representative(s)) of such alteration and shall either inform the Grantee (or his nominee or legal personal representative(s)) of the adjustment to be made pursuant to the certificate of the Auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee (or his nominee or legal personal representative(s)) of such fact and instruct the Auditors to issue a certificate in that regard in accordance with Clause 14.1.

15. SHARE CAPITAL

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

16. DISPUTES

16.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall be final and binding on the parties to the dispute.

17. ALTERATION OF THE SCHEME

17.1 The Scheme may be altered in any respect by resolution of the Board except that:

- (a) the definitions of *Grantee* and *Option Period* in Clause 1.1 and any provisions of the Scheme relating to the matters set out in rule 17.03 of the Listing Rules, shall not be altered to the advantage of Grantees or Eligible Persons; and
- (b) any change to the authority of the directors or scheme administrators in relation to any alteration to the terms of the Scheme shall not be made,

except with the prior sanction of a resolution of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the shareholders of the Company under the Articles of Association for a variation of the rights attached to the Shares.

17.2 Any alterations to the terms and conditions of the Scheme which are of a material nature shall be subject to the approval of shareholders of the Company save where the alterations take effect automatically under the existing terms of the Scheme.

18. TERMINATION

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

19. CANCELLATIONS OF OPTIONS

19.1 Options granted and accepted but not exercised may be cancelled with the consent of the relevant Grantee (or, if applicable, his nominee or his legal personal representative(s)) upon approval by a resolution of the Board.

19.2 Any Grantee (or, if applicable, his nominee or legal personal representative(s)) whose Options are cancelled pursuant to Clause 19.1 may be issued with new Options in accordance with the provisions of the Scheme, provided that unissued Options are available under the Scheme within the limits specified in Clause 12.

20. MISCELLANEOUS

20.1 The Scheme shall not form part of any contract of employment or engagement of services between the Company or any of its subsidiaries and any Eligible Person and the rights and obligations of any Eligible Person under the terms of his office, employment or engagement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme and shall afford such an Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement of services for any reason.

20.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

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

20.4 A Grantee shall upon accepting an Offer of grant of an Option be entitled to receive a copy of the Scheme.

20.5 All Grantees shall agree to the collection, use and transfer of their personal data in

accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) for the purpose of implementing, administering and enforcing the Scheme.

- 20.6 The Group shall, in accordance with the relevant provisions of the Scheme and the Listing Rules, actively cooperate with the Grantees to realize their rights under this Scheme to exercise the relevant Options. However, the Group shall not be liable if the Grantees fail to exercise such rights.
- 20.7 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 such other address as notified to the Grantees from time to time and, in the case of the Grantee, his address as notified to the Company from time to time.
- 20.8 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served twenty-four (24) hours after the same was posted; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 20.9 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction on order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 20.10 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme.
- 20.11 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.