

CSMall Group Limited

金貓銀貓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Rules of the

SHARE OPTION SCHEME

Adopted on [27 March] 2025

CONTENT

<u>CLAUSE</u>	<u>PAGE</u>
1. DEFINITIONS	1
2. PURPOSE, DURATION AND ADMINISTRATION	4
3. GRANT OF OPTIONS	5
4. SUBSCRIPTION PRICE	9
5. VESTING AND EXERCISE OF OPTIONS	9
6. LAPSE OF OPTION	13
7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION.....	14
8. REORGANISATION OF CAPITAL STRUCTURE.....	15
9. SHARE CAPITAL	16
10. DISPUTES	16
11. ALTERATION OF THIS SCHEME	16
12. CANCELLATION	17
13. TERMINATION	17
14. MISCELLANEOUS.....	17

CSMall Group Limited
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(incorporated in the Cayman Islands with limited liability)

1. DEFINITIONS

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

“Adoption Date”	the date on which this Scheme was approved and adopted by the Shareholders;	
“associate(s)”	has the meaning ascribed to it under the Listing Rules;	
“Auditors”	the auditors of the Company for the time being;	
“Board”	the board of directors of the Company for the time being or a duly authorised committee thereof;	
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;	
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;	
“Company”	CSMall Group Limited 金貓銀貓集團有限公司, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange;	
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;	
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;	
“Eligible Participant(s)”	eligible persons under this Scheme, which are the directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, and does not include any independent non-executive directors;	17.03A(1)(a) 17.03(2)
“Grant Date”	in respect of an Option, the Business Day on which the Board resolves to make an Offer, or the grant of an Option to an Eligible Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of this Scheme;	

“Grantee(s)”	Any Eligible Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the Personal Representative of such person;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Individual Limit”	has the meaning ascribed to it in paragraph 7.5;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time;
“Offer”	the offer of the grant of an Option made in accordance with paragraph 3;
“Option(s)”	an option to subscribe for Shares pursuant to this Scheme and for the time being subsisting;
“Option Period”	the period within which an Option may be exercised by the Grantee under this Scheme, as described in paragraph 5.6;
“Personal Representative(s)”	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);
“Scheme”	this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 7.1;
“Shareholder(s)”	holder(s) of the Shares;
“Share(s)”	ordinary shares of US\$0.0001 each in the share capital of the Company, or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the

17.03(5)

shares forming part of the ordinary equity share capital of the Company or such nominal amount as shall result from any such sub-division reduction, consideration, reclassification or reconstruction;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph 4;
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Treasury Share(s)”	has the meaning ascribed to the term “treasury shares” under the Listing Rules as applied to the Shares, and for the purposes of this Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
“US\$”	United States dollar(s), the lawful currency of the United States of America;
“Vesting Period”	has the meaning ascribed to it in paragraph 5.1; and
“%”	per cent.

1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme.

1.3 References herein to “paragraphs” are to paragraphs of this Scheme.

1.4 Words importing the singular include the plural and vice versa, words importing a gender or the neuter include both genders and the neuter references to persons include bodies corporate or unincorporate.

1.3 References in this Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.

1.4 References (express or implied) in this Scheme to ordinances and to statutory and regulatory provisions and the Listing Rules shall be construed as references to those ordinances or statutory and regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the

relevant ordinance, statutory or regulatory provision or the Listing Rules.

1.5 In construing this Scheme:

- (a) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. PURPOSE, DURATION AND ADMINISTRATION

- 2.1 The purpose of this Scheme is to reward Eligible Participants who have contributed to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. By granting Options to the Eligible Participants, it recognizes the contribution or future contribution of Eligible Participants to the Group and helps the Group to foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholder through them owning a proprietary interest in the Company and becoming future Shareholders, thereby helping the Group to attract, retain and motivate high-calibre Eligible Participants that are in line with its performance goals and business needs, which maintains or enhances the competitiveness of the Group. 17.03(1)
- 2.2 When assessing the eligibility of Eligible Participants, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties, work performance and importance of their roles; (ii) their educational and professional qualifications, and knowledge in the industry; (iii) their length of engagement or employment with the Group; (iv) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (v) their contribution made or expected to be made to the existing business of the Group, and to the growth and development of the Group; (vi) the prevailing market conditions; (vii) local market practice and industry standards and benefits; and (viii) whether granting of an Option is an appropriate incentive, and how an Option (taken together with any performance targets and/or vesting terms) can serve the purpose of this Scheme with respect to both the proposed Grantee and the long-term growth of the Group. The Board may also utilise the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a view as to whether the relevant criteria(s) have been satisfied. For the avoidance of doubt, the scope of the Eligible Participants does not include the independent non-executive directors. 17.03(2)
- 2.3 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. 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 under this Scheme, and the number of Shares and Subscription Price, subject to paragraph 4; (c) subject to paragraphs 8 and 11, make such adjustments to the terms of the Options granted under this Scheme to the

relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of this Scheme provided that the same are not inconsistent with the provisions of this Scheme and the Listing Rules.

- 2.4 This Scheme shall take effect subject to: 17.02(1)(a)
- (a) the passing of the resolution by the Shareholders to approve and adopt this Scheme and to authorise the Board to grant Options under this Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
 - (b) the granting of approval for the listing of, and permission to deal in, the Shares that may be allotted and issued in respect of the Options to be granted under this Scheme by the Stock Exchange;

A certificate of a director of the Company that the conditions set out in sub-paragraphs (a) to (b) above have been satisfied shall be conclusive evidence of the matters certified. The Company must publish an announcement on the outcome of the Shareholders meeting as referred to in sub-paragraph 2.4(a) for the adoption of this Scheme as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day after such general meeting, in accordance with the publication requirements set out in Chapter 12 of the Listing Rules.

- 2.5 Subject to paragraphs 2.4 and 13, this 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 offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten (10)-year period. 17.03(11)
- 2.6 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each employee, 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, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of or omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.

3. GRANT OF OPTIONS

- 3.1 On and subject to the terms of this Scheme and the Listing Rules, the Board shall be entitled at any time within ten (10) years after the Adoption Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select to take up an Option pursuant to which such Eligible Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such 17.03(11)

terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

- 3.2 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine 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 a period of twenty-eight (28) days from the Grant Date provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Eligible Participant for whom the Offer is made has ceased to be an Eligible Participant.
- 3.3 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- 3.4 An Offer is deemed to be accepted when the Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. 17.03(8)
- 3.5 Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within twenty-eight (28) days from the date on which the letter containing the Offer is delivered to that Eligible Participant in the manner indicated in paragraph 3.4, it shall be deemed to have been irrevocably declined.
- 3.6 A grant of Options may not be made after any inside information has come to the Company's attention until (and including) the trading day after such inside information has been published in accordance with the relevant provisions of the Listing Rules. In particular, during the period commencing thirty (30) days immediately preceding the earlier of: 17.05
- (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 of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement (or during any period of delay in publishing results announcements), no Option may be granted.

- 3.7 For the avoidance of doubt, in compliance with the Listing Rules, a director must not deal in any securities of the Company (and no Options may be granted to a director) on any day on which the Company's financial results are published and:
- (a) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,
- unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Section C of Appendix C3 to the Listing Rules.
- 3.8 Any grant of Options to any director, chief executive or substantial shareholder of the Company, or any of their respective associates, under this Scheme or any other share option schemes of the Company shall be subject to the prior approval of the independent non-executive directors of the Company (excluding independent non-executive directors whose associate is the proposed Grantee in question). 17.04(1)
- 3.9 Where any grant of Options to a substantial shareholder of the Company, or any of his or her associate, would result in the Shares issued and to be issued in respect of all Options granted (excluding any options lapsed in accordance with the terms of this Scheme) to such person in the twelve (12) month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares) on the date of such grant, such further grant of Options must be approved by the Shareholders in general meeting in the manner set out below. 17.04(3)
- 3.10 The Company must send a circular to the Shareholders containing all those terms as required under the Listing Rules. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting of the Shareholders. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(3) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain: 17.04(4), (5)
- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Subscription Price;
 - (b) the views of the independent non-executive directors (excluding any independent non-executive director whose associate is the proposed Grantee) as

to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and

- (c) the information required under the Listing Rules and the Stock Exchange from time to time.
- 3.11 Any change in the terms of Options granted to a Grantee who is a director, chief executive of the Company or substantial Shareholder, or any of their respective associates, must be approved by the Shareholders in the manner as set out above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme). For the avoidance of doubt, the requirements for the grant of Options to a director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed director or chief executive of the Company. 17.04(5)
Note 1
- 3.12 Subject to this Scheme and the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Option 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 shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Eligible 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 this Scheme. 17.03(19)
- 3.13 If any performance targets are imposed in the relevant offer letter of the grant of the Options, the Board will have regard to the purpose of this Scheme in assessing such may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time. In the case of Eligible Participants other than directors of the Company, the achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head. In the case of Eligible Participants who are directors of the Company, the achievement of his/her target will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed Grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to 17.03(7)

him/herself). Due to the business nature of the Group, it would not be practicable, or possible, to delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Options are granted.

- 3.14 Other than the circumstances under which the Option shall lapse automatically as set in this Scheme, if any clawback mechanism is imposed as determined by the Board on a case by case basis and provided in the Offer letter of the grant of the Options, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc. 17.03(19)

4. SUBSCRIPTION PRICE

The Subscription Price shall be determined by the Board in its absolute discretion but in any event must be at least the higher of:- 17.03(9)
17.03E

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Grant Date which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Grant Date; and
- (iii) the nominal value of the Shares.

5. VESTING AND EXERCISE OF OPTIONS

- 5.1 Save for the circumstances prescribed in paragraph 5.2, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised (the “Vesting Period”). 17.03(6)
17.03F
- 5.2 The Vesting Period in respect of Eligible Participant may be less than twelve (12) months from the Grant Date in the following circumstances: FAQ13 –
No. 12
- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
 - (b) grants to an Eligible 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 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;

- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
 - (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
 - (f) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest twelve (12) months after the Grant Date; or
 - (g) where there is an occurrence of any of the events regarding general offer, winding up, reconstruction, compromise or arrangement.
- 5.3 Subject to paragraph 5.4, an Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option. Any breach of the foregoing 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(10)
17.03(17)
- 5.4 The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed. 17.03(17)
Note
- 5.5 An Option may, subject to the provisions of paragraph 8, be exercised in whole or in part (but if in part only, in respect of a board lot in which the Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) in the manner set out in this paragraph 5.5 by the Grantee (or, as the case may be, his Personal Representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within ten (10) Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company pursuant to paragraph 8, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his Personal Representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his Personal Representative(s)) share certificates in respect of the Shares so allotted.
- 5.6 Subject to any restrictions applicable under the Listing Rules and notwithstanding the 17.03(5)

terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period, which must not be more than ten (10) years from the Grant Date of the Option, provided that:-

- (a) in the event of the Grantee ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph 6(f) having arisen, his Personal Representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of twelve (12) months following his death provided that where any of the events set out in paragraphs 5.6(e), (f), (g) and (h) occurs prior to his death or within such period of six (6) months following his death, then his Personal Representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs provided further that if within a period of three (3) years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 6(f) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's Personal Representative(s) and/or to the extent the Option has been exercised in whole or in part by his Personal Representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (b) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be an Eligible Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 6(f), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
- (c) in the event of a Grantee who is not an employee or a director of the Company or another member of the Group ceasing to be an Eligible Participant as and when determined by the Board by resolution for any reason other than his death the Board may by written notice to such Grantee within one (1) month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation;
- (d) in the event of the Grantee ceasing to be an Eligible Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 6(f), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part pursuant to paragraph 5.4, 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 Subscription Price for the Shares received by the Company in respect of the

purported exercise of such Option;

- (e) in the event a general offer for Shares by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 5.6(f) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his Personal Representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
- (f) in the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees and any Grantee (or his Personal Representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company;
- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his Personal Representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and 17.03(10)
- (h) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 5.6(f) above, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and the Grantee (or his Personal Representative) may at any time thereafter but before such time as shall be notified by the Company exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

- 5.7 The Shares to be allotted upon the exercise of an Option shall be identical to all existing issued Shares and shall be subject to all the provisions of the memorandum of association and articles of the Company for the time being in force, and such Shares rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the 17.03(10),(15)

date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

- 5.8 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company. 17.03(10)
- 5.9 Any Options granted but not exercised may be cancelled if the Eligible Participant so agrees and new Options may be granted to the Grantee provided that such new Options fall within the limits prescribed by paragraph 7, excluding the cancelled Options, and are otherwise granted in accordance with the terms of this Scheme. 17.03(14)

6. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:- 17.03(12)

- (a) the expiry of the Option Period (subject to the provisions of this Scheme, in particular the periods referred to in paragraph 5.6);
- (b) the expiry of the period referred to in paragraph 5.6(e) subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (c) subject to the scheme of arrangement (referred to in paragraph 5.6(f)) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5.6(f);
- (d) the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee commits a breach of paragraph 5.3;
- (f) the date on which the Grantee (if an employee or director of the Company or another member of the Group) ceases to be an Eligible Participant by reason of the termination of his employment or directorship on 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 committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 6(f) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s); and

- (g) the date on which the Grantee ceases to be an Eligible Participant for any other reason (subject to the provisions of this Scheme, in particular the periods referred to in paragraph 5.6).

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 7.1 The total number of Shares which may be issued in respect of all options and awards to be granted under this Scheme and any other schemes of the Company shall not, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue (excluding Treasury Shares) as at the Adoption Date, i.e. 123,787,504 Shares, representing approximately 10% of the issued Shares as at the date of approval of this Scheme (excluding Treasury Shares) (the “**Scheme Mandate Limit**”). Options or awards lapsed in accordance with the terms of this Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. 17.03B(1)
17.03(3)
- 7.2 The Company may seek approval by its Shareholders in general meeting to “refresh” the Scheme Mandate Limit referred to in paragraph 7.1 under this Scheme after three (3) years from the date of Shareholders’ approval for the last refreshment (or the adoption of this Scheme). Any “refreshment” of the Scheme Mandate Limit within any three (3)-year period must be approved by Shareholders subject to the following provisions: 17.03C(1)
- (a) any controlling shareholders of the Company 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
- (b) 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. 17.03C(2)
- 7.3 The Scheme Mandate Limit as “refreshed” pursuant to paragraph 7.2 must not exceed 10% of the relevant class of shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed scheme mandate. The Company must send a circular to its Shareholder containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the “refreshment”.
- 7.4 The Company may seek separate approval by its Shareholders in general meeting for granting options under this Scheme or awards under any other schemes of the Company (as the case may be) 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 participant who may be granted such options or awards, the number and terms of the options or awards to be granted to each participant, 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 participant must be fixed before Shareholders' approval. In respect of any Options to be granted, 17.03C(3)

the date of the Board meeting for proposing such grant should be taken as the Grant Date for the purpose of calculating the Subscription Price.

- 7.5 Subject to paragraph 7.6, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Grantee under this Scheme and any other schemes of the Company (including both exercised and outstanding Options but excluding any options and awards lapsed in accordance with the terms of the relevant scheme) in any twelve (12)-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option schemes of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue (excluding Treasury Shares) for the time being (the “**Individual Limit**”). 17.03(4)
17.03D(1)
- 7.6 Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options but excluding any options and awards lapsed in accordance with the terms of the relevant scheme) in the twelve (12)-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (excluding Treasury Shares), such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting options or awards to the participant, explanation as to how the terms of the options or award serve such purpose, and such other information required under the Listing Rules. The number and terms of the options to be granted must be fixed before such Shareholders’ approval. The date of the Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Subscription Price of such options.

8. REORGANISATION OF CAPITAL STRUCTURE

- 8.1 In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:- 17.03(13)
- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; or
 - (ii) the Subscription Price;
- or any combination thereof, provided that:-
- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and

- (b) notwithstanding paragraph 8.1(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with Frequently Asked Questions FAQ13 – No.16 or such other guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be to the extent that a Share would be issued at less than its nominal value.

- 8.2 The Company shall engage independent auditors or financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under paragraph 8.1 satisfy the requirements set out in paragraphs 8.1(a) and 8.1(b) above and are in their opinion fair and reasonable. The capacity of the Auditors or financial advisor (as the case may be) in this paragraph 8.2 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 the Grantees. The costs of the Auditors or financial advisor (as the case may be) shall be borne by the Company.

9. 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.

10. DISPUTES

Any dispute arising in connection with this 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 or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

11. ALTERATION OF THIS SCHEME

- 11.1 Any alterations to the terms and conditions of a share 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 Eligible Participants must be approved by Shareholders in a general meeting.

17.03(18)

- 11.2 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 of the Company if the initial grant of the Options 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 this

Scheme.

- 11.3 Any change to the authority of the directors of the Company or the administrator of this Scheme to alter the terms of this Scheme must be approved by the Shareholders in a general meeting.
- 11.4 This Scheme so altered must comply with Chapter 17 of the Listing Rules and any guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

12. CANCELLATION

Any Options granted but not exercised may be cancelled if the Eligible Participant so agrees. For the avoidance of doubt, where the Company cancels Options granted to an Eligible Participant and makes a new grant to the same Eligible Participant, such new grant may only be made with available Scheme Mandate Limit, and that the Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17.03(14)

13. TERMINATION

- 13.1 The Company by ordinary resolution in general meeting or the Board may at any time terminate this Scheme and in such event no further Options may be granted but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of Options which are granted during the life of this Scheme and which remain unexpired immediately prior to the termination of the operation of this Scheme.
- 13.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established after such termination.

17.03(16)

17.03(16)
Note

14. MISCELLANEOUS

- 14.1 The Company shall bear the costs of establishing and administering this Scheme including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme except as provided in paragraph 10 above.
- 14.2 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares.
- 14.3 Any notice or other communication served by:
- (a) by the Company shall be deemed to have been served 24 hours after the same was sent by pre-paid post or delivered by hand or by courier or by fax or by e-mail to the address, fax number or e-mail address of the Grantee (as the case may be) as notified to the Company from time to time; and
 - (b) by a Grantee shall not be deemed to have been received until the same shall have

been received by the Company at its principal place of business in Hong Kong for the time being.

- 14.4 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 his Option. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of the participation in this Scheme or the exercise of any 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 this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay tax or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company.
- 14.5 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Options to Eligible Participants and to determine the Subscription Price, to any of the Company's directors from time to time.
- 14.6 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any employee and the rights and obligations of any employee under the terms of his office or employment 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 an employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 14.7 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option.
- 14.8 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

- End of Scheme -