

**TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED**

**致豐工業電子集團有限公司**

*(incorporated in the Hong Kong with limited liability)*

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**Rules of the**  
**SHARE OPTION SCHEME**

**Adopted on [\*] 2025**

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***Warning:***

*The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.*

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**RULES OF THE SHARE OPTION SCHEME**

**1. DEFINITIONS**

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

<b>"Adoption Date"</b>	means [*] 2025 (the date on which this Scheme is conditionally adopted by a resolution of the shareholders of the Company in general meeting);
<b>"Allotment Date"</b>	means the date on which Shares are allotted and issued to a Grantee pursuant to the exercise of the rights attaching to an Option granted and exercised hereunder;
<b>"Applicable Laws"</b>	means any relevant laws and regulations (including those of both Hong Kong and overseas jurisdictions as may be applicable);
<b>"Associate(s)"</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>"Auditors"</b>	means the auditors for the time being of the Company;
<b>"Board"</b>	means the board of Directors of the Company or a duly authorised committee thereof;
<b>"Business Day"</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>"Chief Executive"</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>"Close Associate(s)"</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>"Commencement Date"</b>	means, in respect of any particular Option, the Business Day on which that Option is deemed to have been granted in accordance with clause 6.10;
<b>"Companies Ordinance"</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as consolidated, amended or supplemented from time to time;
<b>"Company"</b>	means Trio Industrial Electronics Group Limited (致豐工業電子集團有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange;
<b>"Connected Person(s)"</b>	shall have the meaning ascribed to it under the Listing Rules;

<b>"Core Connected Person(s)"</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>"Director(s)"</b>	means the director(s) of the Company;
<b>"Disability"</b>	shall have the meaning as defined under the long-term disability policy, if any, of the Company or the relevant Subsidiary to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the Company or the relevant Subsidiary to which the Grantee provides service does not have a long-term disability plan in place, <b>"Disability"</b> shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its discretion;
<b>"Distribution"</b>	shall have the meaning given to that term in clause 13 of the Scheme;
<b>"Eligible Participant"</b>	means any person who satisfies the eligibility criteria in clause 5.1;
<b>"Employee"</b>	means any employee employed by any member of the Group (whether on a full time or part time basis);
<b>"Employee Participants"</b>	shall have the meaning given to that term in clause 5.1(a) of the Scheme;
<b>"Exercise Period"</b>	means, at the time of making an Offer and in respect of any particular Option, the period to be notified by the Board to each Grantee during which the Option(s) may be exercised, which the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the Commencement Date;
<b>"Exercise Price"</b>	exercise price for the Shares in respect of an Option and determined in accordance with clause 8;
<b>"Grantee"</b>	means any Eligible Participant who accepts the Offer in accordance with the terms of the Scheme, and where the context permits, any person who is entitled to any such Option in consequence of the death of the original Grantee (being an individual);
<b>"Group"</b>	means the Company and its Subsidiaries and a <b>"Group Company"</b> shall mean any one of them;

<b>"Hong Kong"</b>		means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>"HK\$"</b>		means Hong Kong dollars, the lawful currency of Hong Kong for the time being;
<b>"Listing Rules"</b>		means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time;
<b>"New Scheme Mandate Limit"</b>		shall have the meaning given to that term in clause 11.3(c) of the Scheme;
<b>"Offer"</b>		means an offer by the Company to an Eligible Participant to accept an Option in accordance with this Scheme;
<b>"Option(s)"</b>		means right(s) to subscribe for Share(s) granted pursuant to this Scheme;
<b>"Related Entity Participant(s) "</b>		shall have the meaning given to that term in clause 5.1(b) of the Scheme;
<b>"Scheme"</b>		means this Share Option Scheme in its present or any amended form to be adopted by the Company on the Adoption Date;
<b>"Scheme Mandate Limit"</b>		shall have the meaning given to that term in clause 11.1 of the Scheme;
<b>"Share(s)"</b>		means share(s) of the Company;
<b>"Stock Exchange"</b>		means The Stock Exchange of Hong Kong Limited;
<b>"Subsidiary" or "Subsidiaries"</b>		means a subsidiary or subsidiaries (within the meaning of the Companies Ordinance) for the time being and from time to time of the Company;
<b>"Substantial Shareholder"</b>		shall have the meaning ascribed to it under the Listing Rules; and
<b>"Treasury Shares"</b>		means, to the extent permitted by and subject to the Company complying with the prevailing requirements of, the Listing Rules, the Companies Ordinance and as authorised by any other laws and regulations of the Company's place of incorporation from time to time in force and its articles of association, the Shares repurchased and held by the Company in treasury (which include Shares repurchased by the Company and held or deposited in Central Clearing and Settlement System for sale on the Stock Exchange) from time to time.

1.2 In this Scheme:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references to clauses are to clauses of this Scheme;
- (c) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporate; and
- (d) references to any ordinance or law shall include any statutory modification, amendment or re-enactment thereof.

1.3 In this Scheme, where applicable, references to Shares to satisfy the grant of Options shall include Treasury Shares (if any), and references to the issue of Shares shall include the transfer of Treasury Shares (as the case may be, and to the extent permissible by and subject to Applicable Laws and regulations, including the Companies Ordinance and Listing Rules).

**2. PURPOSE OF THIS SCHEME**

2.1 This Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the Eligible Participants have made or may make to the Group.

2.2 This Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:

- (a) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants who are significant to and/or whose contributions are, will or expected to be beneficial to the performance, growth and success of the Group.

**3. CONDITIONS**

3.1 This Scheme shall come into effect on the Adoption Date, subject to (i) the passing of the necessary resolution(s) to adopt this Scheme by the shareholders of the Company in general meeting and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the exercise of any Option that may be granted under this Scheme.

- 3.2 If any of the above conditions is not satisfied on or not satisfied on or before the date following six (6) months after the Adoption Date (or such later date as the Board may decide), this Scheme shall forthwith determine, and any Option granted or agreed to be granted pursuant to this Scheme and any offer of such grant shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme or any such Option.
- 3.3 Reference in clause 3.1 to the Stock Exchange's approval shall include such other conditions to which the Stock Exchange's approval is subject.

#### **4. DURATION AND ADMINISTRATION**

- 4.1 Subject to clauses 3 and 16, this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which no further Options will be issued but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 4.2 This Scheme shall be subject to the administration of the Board or any committee established by the Board from time to time, whose decision (save as otherwise provided herein) shall be final and binding on all parties. Without prejudice to the generality of the foregoing, the Board shall have the absolute discretion to:
- (a) interpret and construe the provisions of this Scheme;
  - (b) subject to such relevant requirements under the Listing Rules, determine the persons who will be awarded Options under this Scheme, and the number and Exercise Price of Options awarded thereto;
  - (c) subject to Applicable Laws, determine the Exercise Period and other relevant terms and conditions for each Option;
  - (d) subject to clause 15, make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary;
  - (e) subject to clause 15, adopt rules and regulations for carrying out this Scheme;
  - (f) prescribe the form or forms of instruments to be issued as evidence of any Options granted under this Scheme; and
  - (g) subject to Applicable Laws, make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

#### **5. ELIGIBILITY CRITERIA**

- 5.1 The Board may, at its sole discretion, grant Options to:
- (a) any director or employee of the Company or any of its subsidiaries, including persons who are granted Options as an inducement to enter into employment

contracts with the Company or any of its subsidiaries (the “**Employee Participant(s)**”); and;

- (b) any director or employee of any holding company or fellow subsidiary or associated company of the Company (the “**Related Entity Participant(s)**”);

and, for the purpose of the Scheme, the Option(s) may be granted to any company owned by one or more of the above participants or any trust which the settlor is the above participant, however, no individual who is resident in a place where the grant of the Option(s), the vesting or exercise of the Option(s) and/or the subscription of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person(s).

- 5.2 In determining the basis of eligibility for any Employee Participants, the Board may consider, among other things, such Eligible Participant’s individual performance, time commitment, his/her skills, knowledge, expertise relevant to the operations and business of the Group, the level of responsibilities assumed, the length of employment or engagement with the Group, contribution and/or future contribution to the development and growth of the Group.
- 5.3 In determining the basis of eligibility for any Related Entity Participants, the Board may consider, among other things, such Related Entity Participant’s degree of involvement in and/or corporation with the Group, the extent of positive impact provided by, or expected to be brought by, business development activities in terms of financial performance or financial position, whether such Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships, and the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant’s contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.
- 5.4 In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant and/or a Grantee, such person shall provide all such information as the Board may in its absolute discretion request for the purpose of assessing and/or determining his eligibility (or continuing eligibility) as an Eligible Participant and/or a Grantee.
- 5.5 Each grant of Options to a Connected Person of the Company, or any of his Associates, shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a proposed Grantee of the Option and must be approved in accordance with the requirements of the Listing Rules.
- 5.6 Any person whom the Board has resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Option granted to him remains outstanding. In assessing such Grantee’s continuing eligibility under this



Scheme, the requirements set out in clause 5.1, 5.2, 5.3 and 6.12, and the views, if any, of the independent non-executive Directors shall be given due and careful consideration by the Board.

- 5.7 Should the Board resolve that a Grantee fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under this Scheme as referred to in clause 5.6, the Company would (subject to Applicable Laws) be entitled to deem any outstanding Option or part thereof, granted to such Grantee and to the extent not already exercised, as lapsed, subject to the requirements of clause 9.

## **6. GRANT OF OPTIONS**

- 6.1 On and subject to the terms of this Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time on a Business Day within ten (10) years commencing on the Adoption Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select in accordance with clause 5, and on acceptance of the offer, grant such part of the Option as accepted to the Eligible Participant, provided that no such Offer or grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any Applicable Laws or if such Offer or grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.
- 6.2 An Offer shall be made to an Eligible Participant in such written form as the Board may from time to time determine. Such Offer shall specify the Exercise Price, the Exercise Period and the other relevant terms and conditions of the Option, and shall require 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 all other conditions attaching to the Offer and shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-eight (28) days from the date of Offer, except for any Offer which is made within the last twenty-eight (28) days of the life of this Scheme, the Offer shall remain open for acceptance on a Business Day by the Eligible Participant concerned for a period of not longer than the remaining life of this Scheme. The Board may at its discretion specify any condition in the Offer which must be satisfied before the Option may be exercised. Save as determined by the Board and provided in the Offer, there is no performance target which must be achieved before an Option can be exercised under the terms of this Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.
- 6.3 The conditions(s) or performance target(s), if imposed, may include without limitation (i) individual financial targets such as revenue or profits generated by the Grantee over a defined period; (ii) individual non-financial targets relevant to the Grantee's roles and responsibilities; (iii) financial targets of the Group, whether on a targeted or comparative basis; (iv) non-financial targets of the Group such as the Group's strategic objectives, operational targets and plans for future development; and (v) any other performance targets that the Board may appropriately determine in their sole and absolute discretion. Where any vesting condition(s) or performance target(s) have been imposed, the Board, acting through the Company, shall notify the Grantee in writing by notice in respect of the fulfilment, satisfaction or waiver of such vesting condition(s) or performance target(s) as determined by the Board in its absolute discretion. The

Board has the absolute discretion to determine whether and to what extent such vesting condition(s) or performance target(s) have been reached, fulfilled, satisfied or waived and its decision shall, in the absence of manifest error, be final, conclusive and binding.

- 6.4 Where a clawback mechanism is imposed, the Board will take into account individual circumstances and factors 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 the Grantee (i) has failed to perform duties effectively or is involved in serious misconduct or malfeasance; (ii) has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the articles of association of the Company; (iii) has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company; or (iv) has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in asset to our Company and other serious and adverse consequence.
- 6.5 An Offer cannot be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after the Offer has been made. No Offer shall be capable of or open for acceptance after the expiry of 10 years from the Adoption Date.
- 6.6 The document for granting the Offer shall state, in addition to the matters specified in (but without prejudice to the generality of) clause 6.2, the following:
- (a) the name, address and position of the Eligible Participant and the category to which the Eligible Participant belongs;
  - (b) the last date by which the Offer must be accepted;
  - (c) a minimum period for which the Options must be held before it is vested and exercisable, in accordance with clauses 6.7 and 6.8;
  - (d) the number of Shares and the number of Options to which the Offer relates;
  - (e) the procedure for acceptance;
  - (f) the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
  - (g) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
  - (h) the clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participants in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Board;

- (i) without prejudice to the generality of clause 6.12, such other terms and conditions of the Offer as may be imposed by the Board at its discretion either on a case-by-case basis or generally as are not inconsistent with this Scheme; and
  - (j) a statement 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.
- 6.7 An offer of the grant of an Option shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-eight (28) days from the date of grant provided that no such grant of an Option may be accepted after the expiry of the effective period of this Scheme stated in clause 4.1 or after this Scheme has been terminated in accordance with clause 16. An Offer shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance of HK\$1.00 in favour of the Company as consideration for the grant thereof is received by the Company within the period specified in this clause 6.7. Such remittance shall in no circumstances be refundable.
- 6.8 The Board may from time to time, in its absolute discretion, determine the vesting period upon which the Options may be vested in that Grantee in respect of all or a proportion of the Shares. Save for the circumstances prescribed in clause 6.9, the vesting period in respect of any Option shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit).
- 6.9 A shorter vesting period may be imposed by the Board in its absolute discretion only in relation to the grant of Options to Employee Participants and only in any of the following circumstances:
- (a) grants of “make whole” Options to any Grantees (who are Employee Participants) who are new joiners to replace the share awards or options forfeited when leaving the previous employer;
  - (b) grants of Options to any Grantees (who are Employee Participants) whose employment or engagement is terminated due to death, disability or event of force majeure;
  - (c) grants of Options in batches during a year for administrative or compliance reasons, including Options that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the vesting period may be shorter to reflect the time from which the Options 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; or
  - (e) grants of Options 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-paragraphs (a) and (d)); (ii) to reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (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 where justified (sub-paragraphs (a) to (e)).

- 6.10 In the circumstances contemplated in clause 9.3, the Board shall determine in its absolute discretion whether such Options shall vest and the period within which such Options shall vest, subject to the requirements of the Listing Rules and the terms of the Scheme (including the requirements on vesting period as set out in clauses 6.8 and 6.9). For the avoidance of doubt, vesting period of Options granted to Eligible Participants who are not Employee Participants will not be less than twelve (12) months in any event.
- 6.11 Unless otherwise stated in the terms of the grant, any Offer of the grant of an Option 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 board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer of the grant of an Option is not accepted in the manner set out in clause 6.7, it shall be deemed to have been irrevocably declined and lapsed automatically without notice.
- 6.12 Subject to the provisions of this Scheme, the Listing Rules and the Applicable Laws, the Board may, on a case-by-case basis and at its discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in this Scheme as it may think fit (which shall be stated in the letter containing the Offer of the grant of the Option) including (without prejudice to the generality of the foregoing):
- (a) the continuing eligibility of the Grantee under this Scheme, and in particular, where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent that it has not already been exercised) shall lapse, subject to the requirements of clause 9;
  - (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent that it has not already been exercised) shall lapse unless otherwise resolved to the contrary by the Board, subject to the requirements of clause 9;
  - (c) in the event that the Eligible Participant is a corporation (wherever incorporated or unincorporated), that any change of the management and/or shareholding of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under this Scheme;
  - (d) in the event that the Eligible Participant is a trust, that any change of the beneficiary of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under this Scheme;

- (e) in the event that the Eligible Participant is a discretionary trust, that any change of the discretionary objects of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under this Scheme;
  - (f) conditions, restrictions or limitations relating to the achievement of operating or financial targets; and
  - (g) if applicable, the satisfactory performance of certain obligations by the Grantee.
- 6.13 Without prejudice to the generality of the foregoing and subject to the Listing Rules and clause 8, the Board may grant Options in respect of which the Exercise Price is fixed at different prices for different periods during the Exercise Period.
- 6.14 No Offer shall be made and no Option shall be granted to any Eligible Participant after inside information has come to the Company's knowledge until (and including the trading day) after it has announced the information. In particular, the Company shall not grant any Option during the period commencing thirty (30) days immediately before the earlier of:
- (i) the date of the Board meeting (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
  - (ii) the deadline for the Company to publish an announcement of its result for any year, 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.

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

- 6.15 Notwithstanding that the Grantees shall not have any rights in connection with the Company until the relevant Options have been exercised (either in part or in full), the Company may, in compliance with Applicable Laws, provide to each Grantee during the period for which such Grantee has one or more Options outstanding, copies of financial statements annually.

## **7. GRANT OF OPTIONS TO DIRECTORS, CHIEF EXECUTIVE, SUBSTANTIAL SHAREHOLDERS OR ANY OF THEIR ASSOCIATES**

- 7.1 Without prejudice to clause 6, any grant of Options to any Director, Chief Executive or Substantial Shareholder or any of their respective Associates must be approved by the independent non-executive Directors of the Company (but excluding, for all purposes, any independent non-executive Director of the Company who is a proposed Grantee).
- 7.2 Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company or their respective Associates would result in the total number of the Shares issued and to be issued upon exercise of the Options granted

and awards (if applicable) granted to such person under this Scheme and the other share schemes (excluding any options and awards lapsed in accordance with the terms of such schemes) in any 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares, if any), such further grant of Options must be approved by the shareholders of the Company. The Company must send a circular to its shareholders. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll in accordance with the Listing Rules. The Company must comply with the relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7.3 In the circumstances described in clause 7.2, the Company must send a circular to its shareholders, which shall contain the following information:

- (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 and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price under clause 8;
- (b) the views of the independent non-executive Directors on whether or not to vote in favour of the proposed grant (excluding any independent non-executive Director who is the Grantee of such Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the issuer and its shareholders as a whole, and their recommendation to the independent shareholders as to voting;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information required under Rule 2.17 of the Listing Rules; and
- (e) all the information as required under the Listing Rules from time to time.

7.4 Any change in the terms of any Option granted to a participant who is a Director or Chief Executive or Substantial Shareholder or any of their respective Associates or Core Connected Person, which was approved by the shareholders of the Company in general meeting, shall not be valid unless:

- (a) a circular regarding the change has been despatched to the shareholders of the Company in a manner complying with, and containing the matters specified in the relevant provisions of Chapter 17 of the Listing Rules; and
- (b) the change has been approved by the shareholders of the Company in general meeting (taken on a poll), at which the Grantee, his Associates and all Core Connected Persons abstained from voting in favour at such meeting.

7.5 For the avoidance of doubt, the requirements of clause 7 for the granting of Options to a Director or Chief Executive of the Company do not apply where the Eligible Participant is only a proposed Director or proposed Chief Executive of the Company.

## **8. EXERCISE PRICE**

8.1 The Exercise Price for the Shares in respect of any Option granted under this Scheme shall be a price as the Board may determine and notify to each Grantee (in the letter containing the Offer of the grant of the Option) and shall be at least the higher of:

- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a Business Day; and
- (b) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the date of grant of the relevant Option.

The Exercise Price may also be subject to adjustment in accordance with clause 12.

8.2 In the event the Shares cease to be listed on the Stock Exchange, the Exercise Price in connection with Options granted to a Grantee shall be determined by the Board in good faith and in a manner consistent with all Applicable Laws including, without limitation, any requirement that consideration be given to (i) the price at which securities of reasonably comparable corporations (if any) in the same industry are being traded, or (ii) if there are no securities of reasonably comparable corporations in the same industry being traded, the earnings history, book value and prospects of the Company in light of market conditions generally.

## **9. EXERCISE OF OPTIONS**

9.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do so.

9.2 Subject to the relevant Exercise Period and the other terms and conditions of the grant, an Option shall be exercised in whole or in part by the Grantee 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 Exercise Price for the Shares in respect of which the notice is given. Any notice given without such relevant remittance shall be invalid. Within twenty one (21) Business Days (excluding any period(s) of closure of the Company's share registers) after receipt of the notice together with remittance of the relevant Exercise Price in full and, where appropriate, receipt of the Auditors' certificate or the independent financial adviser's certificate pursuant to clause 12, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted and issued.

9.3 Subject to Applicable Laws and as hereinafter provided, an Option may be exercised by the Grantee at any time during the applicable Exercise Period, provided that:

- (a) in the event of death of the Grantee (being an individual) before exercising the Option(s) in full, the legal personal representatives of the Grantee may exercise

the Option(s) up to the Grantee's entitlement (to the extent exercisable as at the date of his death and not exercised) within the period of twelve (12) months following his death or such longer period as the Board may determine;

- (b) subject to sub-clauses (c) and (d), in the event of the Grantee who is an Employee ceasing to be an Employee for any reason other than his death, Disability or the termination of his employment on one or more of the grounds specified in clause 10.1(e), the Grantee may exercise the Option(s) (to the extent exercisable as at the date of the relevant event and not exercised) within thirty (30) days following such cessation;
- (c) where the Grantee is an Employee Participant at the time of the grant of the relevant Option(s) and his employment or service is terminated on the ground of Disability, the Grantee may exercise the Option(s) (to the extent exercisable as at the date on which such Grantee ceases to be an Employee or director, to any member of the Group and not exercised) within six (6) months following such cessation or such longer period as the Board may determine;
- (d) where the Grantee is an Employee at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a director of any member of the Group, then the Option(s) (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) granted prior to the date of his becoming a director of any member of the Group shall remain exercisable until its expiry in accordance with the provisions of this Scheme and the terms and conditions upon which such Option(s) is/are granted unless the Board shall determine to the contrary;
- (e) in the event of the Grantee, who is a director to any member of the Group but not an Employee, ceasing to be a director to any member of the Group for any reason other than his death (in the case of a Grantee being an individual) or Disability (in the case of a Grantee being a director of any member of the Group), the Option(s) (to the extent exercisable as at the date of such cessation and not exercised) shall be exercised within thirty (30) days following the date of such cessation or such longer period as the Board may determine;
- (f) if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Hong Kong Code on Takeovers and Mergers), the Grantee shall be entitled to exercise the Option (to the extent exercisable as at the date on which the general offer becomes or is declared unconditional and not exercised) in full or in part at any time within one (1) month after the date on which the offer becomes or is declared unconditional (within the meaning of the Hong Kong Code on Takeovers and Mergers);
- (g) in the event 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 the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two (2) Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting, exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise; and

- (h) in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), 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 a compromise or arrangement, and thereupon the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than two (2) Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting, exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

- 9.4 The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the articles of association of the Company in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the Allotment Date, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue as at the Allotment Date, and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the Allotment Date other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the Allotment Date. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.
- 9.5 The outstanding Options granted may not be exercised if all or part of the exercise of the Options will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules or permitted by the Stock Exchange).

- 9.6 Without prejudice to the generality of the foregoing, the Grantee may only exercise an Option subject to any restrictions as may be reasonably imposed by the Board from time to time with a view to ensure or facilitate compliance with any Applicable Laws, mandatory rules and/or regulations binding on the Company, particularly those relating to insider dealing and other prohibitions wider the Listing Rules.

## **10. LAPSE OF OPTION**

- 10.1 An Option (to the extent that such Option has not already been exercised) shall automatically lapse and not be exercisable on the earliest of the occurrence of any of the following events unless otherwise relaxed or waived (conditionally or unconditionally) by the Board:
- (a) the expiry of the Exercise Period;
  - (b) the expiry of any of the periods referred to in clauses 9.3(a), (b), (c), (d), (e) and (f);
  - (c) subject to clause 9.3(g) , the date of the commencement of the winding-up of the Company;
  - (d) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in clause 9.3(h);
  - (e) the date on which the Grantee who is an Employee ceases to be an Employee by reason of the termination of his employment on the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty. A resolution of the Board 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 clause 10.1(e) shall be conclusive and binding on the Grantee;
  - (f) the happening of any of the following events, unless otherwise waived by the Board:
    - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the Grantee (being a corporation);
    - (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of the Companies Ordinance) or otherwise become insolvent;
    - (iii) there is unsatisfied judgment, order or award outstanding against the Grantee or the Company has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his debts;

- (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-clauses (i), (ii) and (iii) above;
  - (v) a bankruptcy order has been made against the Grantee or any director of the Grantee (being a corporation) in any jurisdiction; or
  - (vi) a petition for bankruptcy has been presented against the Grantee or any director of the Grantee (being a corporation) in any jurisdiction;
- (g) the date on which the Grantee commits or attempts to commit a breach of clause 9.1;
- (h) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by the Board; or
- (i) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed pursuant to clause 6.12(a).
- 10.2 No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.
- 10.3 Unless the Board otherwise determined and provided in the Offer, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events shall occur during the Exercise Period:
- (i) there being a material misstatement in the Company's audited financial statements that requires a restatement;
  - (ii) the relevant grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria;
  - (iii) if the grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner; or
  - (iv) any other special circumstances as identified by the Board, including but not limited to factors considered under clause 6.4,

the Board may, by notice in writing to the Grantee concerned, claw back by way of return or repayment of all or specific part of such Options by such Grantee (to the extent that the Options being granted and not exercised by such Grantee); and/or (ii) to cease or vary the Grantee's entitlement to receive or be vested with all or a specified part of any such Options which have not yet been vested in the Grantee. The Options that are clawed back pursuant to this clause shall be regarded as cancelled and the Options so

cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be).

## **11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 11.1 Unless further approval has been obtained pursuant to clauses 11.3 and/ or 11.4, the maximum number of Shares which may be issued upon exercise of all Options and awards to be granted under this Scheme and any other share schemes involving the issue or grant of options or awards or similar rights over Shares or other securities by the Company shall not, in aggregate, exceed 10% of the Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the "**Scheme Mandate Limit**"). Options or awards lapsed in accordance with the terms of the Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. The Company may either issue new Shares or transfer Treasury Shares to the relevant grantee to satisfy the awards upon exercise of the options granted under this Scheme.
- 11.2 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options and awards to be granted under this Scheme and any other share schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- 11.3 The Company may seek approval of its shareholders in general meeting to refresh the Scheme Mandate Limit under this Scheme, provided that:
- (a) the Company may refresh the Scheme Mandate Limit at general meeting after three (3) years from the Adoption Date (or from the date of its shareholders' approval for the last refreshment) in accordance with the applicable Listing Rules; and
  - (b) any refreshment of the Scheme Mandate Limit within the three-year period from the Adoption Date (or from the date of its shareholders' approval for the last refreshment) must be approved by the shareholders of the Company in general meeting subject to the following provisions:
    - (i) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their Associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective Associates) shall abstain from voting in favour of the relevant resolution; and
    - (ii) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing),

provided that the requirements under sub-paragraphs (i) and (ii) of this clause 11.3(b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of issued Shares, excluding Treasury Shares, if any) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

- (c) the Scheme Mandate Limit so renewed (the “**New Scheme Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of such renewal by shareholders of the Company in general meeting. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the shareholders of the Company containing the number of Options and any other share options and share awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

11.4 The Company may seek separate approval from its shareholders in general meeting to grant Options beyond the Scheme Mandate Limit provided that:

- (a) the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought;
- (b) the Company must issue a circular to the shareholders of the Company 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; and
- (c) the number and terms of options or awards to be granted to such participant must be fixed before approval from the shareholders of the Company.

11.5 If the Board determines to offer Options to an Eligible Participant which, when aggregated with any Shares issued or to be issued in respect of all options or awards granted to that person (excluding any options or awards lapsed in accordance with the terms of the relevant schemes) under this Scheme and the other share schemes of the Company in any 12-month period up to and including the date of such grant, exceed 1% of the number of Shares in issue (excluding Treasury Shares, if any), that grant shall be subject to:

- (a) separate approval of the shareholders of the Company at general meeting having been obtained, with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a Connected Person of the Company) abstaining from voting;
- (b) a circular in relation to the proposal for such further grant having been sent by the Company to its shareholders with such information from time to time as required by the Listing Rules, including, among others, the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period),

the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose;

- (c) the number and terms of the Options to be granted to such proposed Grantee having been fixed before the shareholders' approval mentioned in sub-paragraph (a) above; and
- (d) in respect of any share options to be further granted, the date of the Board meeting at which the Board resolves to grant the proposed Options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the Exercise Price.

11.6 The maximum number of Shares referred to in clause 11 shall be subject to adjustment in accordance with clause 12 but shall not in any event exceed the limits imposed by Chapter 17 of the Listing Rules.

## **12. REORGANISATION OF CAPITAL STRUCTURE**

12.1 In the event of any alteration in the capital structure of the Company while any Option may become or remains exercisable, whether by way of a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the number of Shares subject to the Options so far as unexercised;
- (b) the Exercise Price of each outstanding Option;
- (c) the method of exercise of the Options; and/or
- (d) the maximum number of Shares subject to this Scheme.

Any adjustments required under this clause must give a Grantee the same proportion of the equity capital, round to the nearest whole share, as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that such adjustments are made to the advantage of the Grantee. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser appointed by the Company or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this clause and the requirements as set out under the Listing Rules from time to time.

12.2 The costs of the Auditors or the independent financial adviser appointed by the Company relating to this Scheme shall be borne by the Company.

12.3 In giving any certificate under this clause 12, the Auditors or the independent financial adviser appointed by the Company shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and the Grantees.

### **13. DISTRIBUTIONS**

Upon distribution by the Company to holders of the Shares of any cash or in specie of assets (other than dividends in the ordinary course) (the "**Distribution**"), the Company may make a downward adjustment to the Exercise Price of any Option granted but not exercised as at the date of such Distribution by an amount which the Board considers as reflecting the impact such Distribution will have or will likely to have on the trading price of the Shares, provided that (i) the Board's determination of any adjustments shall be final and binding on all Grantees; (ii) the amount of adjustment shall not exceed the amount of such Distribution to be made to holders of the Shares; (iii) such adjustment shall take effect on or after the date of such Distribution by the Company; and (iv) any adjustment provided for in this clause 13 shall be cumulative to any other adjustments contemplated under clause 12 or approved by the shareholders of the Company in general meeting.

### **14. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, (where applicable) whether all or part of the Option has been vested, the amount of the Exercise Price or otherwise) shall be referred to the decision of the independent financial adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding.

### **15. ALTERATION OF THIS SCHEME**

- 15.1 Subject to clauses 15.2, 15.3, 15.4, 15.5 and 15.6 below, this Scheme may be altered in any respect by resolution of the Board except those specific provisions relating to matters set out in Rule 17.03 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the shareholders of the Company in general meeting.
- 15.2 Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the shareholders of the Company in general meeting, except where such alterations take effect automatically under the existing terms of this Scheme.
- 15.3 Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee of the Company, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee of the Company, the independent non-executive Directors and/or the shareholders of the Company (as the case may be), unless the alterations take effect automatically under the existing terms of this Scheme.
- 15.4 Any change to the authority of the Directors or Scheme administrators to alter the terms of this Scheme must be approved by the shareholders of the Company in general meeting.

- 15.5 The amended terms of this Scheme must continue to comply with the relevant provisions of the Listing Rules as may be amended from time to time.
- 15.6 Subject to this clause 15, the Board may at any time alter, amend or modify the terms and conditions of this Scheme such that the provisions of this Scheme would comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary by the Board to implement the terms of this Scheme.

## **16. TERMINATION**

- 16.1 The Company may by a resolution of its shareholders in general meeting at any time terminate the operation of this Scheme and in such event, no further Options will be offered but the provisions of this Scheme shall remain in force in all other respects.
- 16.2 Options complying with the provisions of the Listing Rules which are granted during the life of the Scheme and remain unexpired immediately prior to the termination of the operation of the Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the Scheme.
- 16.3 Where a new share option scheme is established by the Company after termination of the Scheme referred to in this clause 16, the details of the Option(s) granted, including Options exercised or outstanding, under the Scheme and (if applicable) Options that become void or non-exercisable as a result of such termination shall be disclosed in the circular to shareholders of the Company seeking approval of the first share scheme to be established by the Company after termination of the Scheme.

## **17. CANCELLATION**

- 17.1 The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the "**Cancellation Date**"):
- (a) the Grantee commits or permits or attempts to commit or permit a breach of clause 5.4 or any terms or conditions attached to the grant of the Option;
  - (b) the Grantee makes a written request to the Board for, or agrees to, the Option to be cancelled; or
  - (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a Subsidiary.
- 17.2 The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case. Where the Company cancels an Option held by a Grantee and issues new options to the same Grantee, the issue of such new options may only be made under a share option scheme



with available unissued options (excluding the cancelled Option) within the limits set out in clause 11. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

**18. MISCELLANEOUS**

- 18.1 This 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.
- 18.2 The Company shall bear the costs of establishing and administering this Scheme.
- 18.3 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to its shareholders.
- 18.4 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 from time to time and, in the case of the Grantee, his address or fax number or e-mail address as notified to the Company from time to time.
- 18.5 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or delivered by hand or by courier or by fax or by internet to the e-mail address of the Grantee as notified to the Company from time to time; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been actually received by the Company.
- 18.6 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, acceptance and/or exercise of his Option. By accepting an offer of the grant of an Option or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents and shall indemnify the Company in full against any loss, claim, penalty, demand, liability, costs and expenses made against or incurred by the Company in respect of a breach by the Grantee of such representation or failure to obtain such consents. 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. All tax and other matters in connection with the grant, acceptance and/or exercise of an Option shall be for the account of the Grantee.
- 18.7 By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant subject to the provisions of this Scheme and to have waived any entitlement, whether by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.

18.8 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.