

**Chuan Holdings Limited**  
**川控股有限公司\***  
*(incorporated in the Cayman Islands with limited liability)*

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**RULES OF THE SHARE OPTION SCHEME**  
**ADOPTED BY THE SHAREHOLDERS**  
**AT THE ANNUAL GENERAL MEETING**  
**HELD ON 21 MAY 2026**

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I, [\*], a director of Chuan Holdings Limited (the “**Company**”) hereby certify that the attached rules of the share option scheme of the Company were adopted by the shareholders of the Company on 21 May 2026.

Adoption Date: 21 May 2026

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Name:

Position: Director

*\* For identification purpose only*

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**RULES OF THE SHARE OPTION SCHEME**

**1. DEFINITIONS AND INTERPRETATIONS**

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

“Adoption Date”	21 May 2026, being the date on which this Scheme is approved and adopted by the Shareholders
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“associate”	has the meaning ascribed to it in the Listing Rules
“Auditor”	an auditor of the Company for the time being
“Board”	the board of the Directors for the time being or a duly authorised committee thereof
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“chief executive”	has the meaning ascribed to it in the Listing Rules
“close associate”	has the meaning ascribed to it in the Listing Rules
“Company”	Chuan Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code:1420)
“connected person”	has the meaning ascribed to it in the Listing Rules
“core connected person”	has the meaning ascribed to it in the Listing Rules
“Date of Grant”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Director”	a director of the Company for the time being

\* For identification purpose only

“Eligible Participant”	a director or an employee (whether full-time or part-time) of the Company or any of its subsidiaries (including a person who is granted Options under this Scheme as an inducement to enter into employment contracts with the Group), 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 Director
“Exercise Date”	has the meaning ascribed to it in paragraph 6.7
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option pursuant to paragraph 5
“Grantee”	an Eligible Participant who accepts an Offer in accordance with the terms of this Scheme or (where the context so permits) his/her Personal Representative
“Group”	the Company and all of its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	an independent financial adviser as approved by the Board from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	an offer for the grant of an Option made in accordance with this Scheme
“Option”	an option to be granted to an Eligible Participant to subscribe for the Shares pursuant to this Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Board to the Grantee thereof at the time of making an Offer provided that such period must not be more than 10 years from the Date of Grant of the particular Option

“Personal Representative”	a person who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“Remuneration Committee”	the remuneration committee of the Board
“Scheme”	this share option scheme in its present form or as may be amended in accordance with paragraph 13
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 8.1
“Share”	an ordinary share of HK\$0.01 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, a share forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Share Registrar”	the Hong Kong branch share registrar and transfer office of the Company for the time being
“share schemes”	has the meaning ascribed to it in the Listing Rule
“Shareholder”	a registered holder of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“substantial Shareholder”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“treasury shares”	has the meaning ascribed to it in the Listing Rules
“Vesting Period”	has the meaning ascribed to it in paragraph 6.4
“%”	per cent

- 1.2 In this Scheme, save where the context otherwise requires:
- (a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
  - (b) references to paragraph or paragraphs are references to paragraph or paragraphs hereof;
  - (c) words importing the singular include the plural and vice versa;
  - (d) words importing one gender include both genders and the neuter and vice versa;
  - (e) references to persons include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind;
  - (f) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted, or as its operation is modified by any other statute or regulatory provision (whether with or without modification) from time to time, and shall include any subsidiary legislation enacted under the relevant statute from time to time; and
  - (g) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

## **2. CONDITIONS**

- 2.1 The adoption of this Scheme is conditional upon:
- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under this Scheme; and
  - (b) the passing of the ordinary resolution by the Shareholders in general meeting approving the adoption of this Scheme and authorising the Board to grant Options to Eligible Participants and to allot and issue the Shares or to transfer the treasury shares (if any) pursuant to the exercise of any Options granted under this Scheme.

- 2.2 Reference in paragraph 2.1 to the Listing Committee of the Stock Exchange formally granting the approvals, listing and permission referred to therein shall include any such approvals, listing and permission which are granted subject to conditions.
- 2.3 A certificate of a Director that the conditions set out in paragraph 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.

### **3. PURPOSE, DURATION AND ADMINISTRATION**

- 3.1 The purpose of this Scheme is to enable the Board to grant Options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group, to attract and retain high-calibre personnel and to align the interest of Eligible Participants to those of the Company and the Shareholders to promote the long-term financial and business performance of the Group. This Scheme will give Eligible Participants an opportunity to have a personal stake in the Company and will help motivate Eligible Participants in optimising their performance and efficiency and attract and retain Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.
- 3.2 The Company is allowed to issue the new Shares and/or utilise treasury shares (if any) to satisfy grants of Options under this Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association.
- 3.3 This Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to this Scheme or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of this Scheme, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this Scheme, and the number of Shares and the Exercise Price, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate in relation to the Offers and/or administration of this Scheme.

- 3.4 In determining the basis of eligibility of each Eligible Participant, the Board will consider factors as it shall consider relevant, including but not limited to (i) the Eligible Participant's job positions, responsibilities, duties, work performance and importance of his/her roles; (ii) the educational and professional qualifications, skills, knowledge, experience, expertise and other relevant personal qualities of the Eligible Participant in relation to the Group's business; (iii) the length of engagement or employment of the Eligible Participant with the Group; (iv) the Eligible Participant's time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (v) the Eligible Participant's 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 set out above and form a view as to whether the relevant criteria have been satisfied. For the avoidance of doubt, the scope of Eligible Participants does not include the independent non-executive Directors.
- 3.5 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.6 A Grantee shall ensure and, by accepting an Offer, shall be deemed to have represented and undertaken to the Company, that the acceptance of an Offer, the vesting, holding and exercise of his/her Option in accordance with this Scheme, the allotment and issue of the Shares to him/her upon the exercise of his/her Option and the holding of such Shares are and will be valid and will comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Board may, as a condition precedent of making an Offer and allotting the Shares upon an exercise of an Option, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

- 3.7 This Scheme does not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of this Scheme will give the Board discretion to impose such conditions on Options. The Board considers that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options is to remunerate or compensate Eligible Participants for past contributions. The Board considers it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.
- 3.8 Other than the circumstances under which the Options shall lapse automatically as set out in this Scheme, or such other clawback mechanism as determined by the Board in the offer letter in respect of the grant of Options, this Scheme does not prescribe any other clawback mechanism. 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 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 (e.g. 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.

#### **4. GRANT AND ACCEPTANCE OF OPTIONS**

- 4.1 The Board shall, subject to and in accordance with the provisions of this Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of 10 years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares as the Board may, subject to paragraph 8, determine at the Exercise Price.
- 4.2 Notwithstanding paragraph 4.1:
- (a) no Options shall be granted after inside information (having the meaning as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules. In particular, no Options shall be granted during the period commencing 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 approving 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 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 a results announcement); and

- (b) no Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant during the periods or times when the Eligible Participant would or might be prohibited from dealing in the Shares pursuant to the Listing Rules, any other applicable rules, regulations or law or any corresponding code or securities dealing restrictions adopted by the Company.

4.3 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares, the Option Period and the Vesting Period in respect of which the Offer is made and such other terms and conditions of the Offer as may be imposed by the Board and further 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 (and by no other person, including his/her Personal Representative) for a period of up to 21 days from the Date of Grant. For the avoidance of doubt, an Offer may not be accepted by a person who has ceased to be an Eligible Participant after the Offer has been made and prior to acceptance of the Offer.

4.4 An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be

later than 21 days from the Date of Grant). Such remittance shall in no circumstances be refundable.

- 4.5 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Date of Grant).
- 4.6 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.4 or 4.5, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance provided that if such date of acceptance shall fall on a non-Business Day, the Business Day immediately following such date of acceptance shall be taken to be the date of acceptance for the grant of such Option. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.4 or 4.5, it will be deemed to have been irrevocably declined.
- 4.7 Without prejudice to paragraph 8.8, any grant of Options to a Director, chief executive of the Company or substantial Shareholder, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director whose associate is the proposed Grantee). For the avoidance of doubt, the requirements for the grant of Options to a Director or chief executive of the Company set out in this paragraph 4.7 do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.
- 4.8 Subject to the provisions of this Scheme and the Listing Rules, the Board may at its absolute discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto, including the Vesting Period, the achievement of any performance targets by the Group and/or the Grantee before the Option shall vest and/or any clawback mechanism for the Company to recover or withhold the remuneration (which may include any Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

4.9 If any performance targets are imposed in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of this Scheme in assessing 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 the Directors, 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 the Directors, the achievement of his/her target will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed Grantee in question is member of the Remuneration Committee, such member shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to himself/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.

## **5. EXERCISE PRICE**

5.1 The Exercise Price shall, subject to any adjustments made pursuant to paragraph 9, be determined by the Board in its absolute discretion, provided that it must be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant;
- (b) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Shares on the Date of Grant.

## **6. EXERCISE OF OPTIONS**

- 6.1 Subject to paragraph 6.2, an Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.
- 6.2 The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as a trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet 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.
- 6.3 Subject to paragraphs 3.6 and 15.9 and the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in this paragraph 6.3 or paragraph 6.6 (as the case may be) by the Grantee (or, as the case may be, his/her Personal Representative) 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 so exercised. Each of such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditor's or Independent Financial Adviser's certificate pursuant to paragraph 9, the Company shall accordingly allot and issue or transfer out of treasury the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 6.6(a), to the estate of the Grantee) credited as fully paid and instruct the Share Registrar to issue to the Grantee (or his/her estate in the event of an exercise by his/her Personal Representative as aforesaid) a share certificate for the Shares so allotted and issued or transferred out of treasury.

- 6.4 Save for the circumstances prescribed in paragraph 6.5, an Option must be held by the Grantee for at least 12 months before the Option can be exercised (the “**Vesting Period**”).
- 6.5 The Board may at its discretion grant a shorter Vesting Period to an Eligible Participant in the following circumstances:
- (a) grants of “make-whole” Options 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 but had to wait for a subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which an 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 12 months;
  - (e) grants of Options with a total vesting and holding period of more than 12 months; or
  - (f) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria.
- 6.6 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:
- (a) in the event of the Grantee ceasing to be an Eligible Participant by reason of his/her death before exercising the Option in full, any unvested Options shall lapse on the date of death. In case the Grantee has some Options that have been vested, and where the Grantee is an employee or a director of the Group, none of the events which would be a ground for termination of his/her employment or directorship under paragraph 7.1(e) arises, his/her Personal Representative may exercise the vested Options (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of death or up to the

expiration of the Option Period of the relevant vested Options, whichever is earlier, and such Options to the extent not so exercised shall lapse and determine at the end of the period of 12 months or at the expiration of the Option Period of the relevant vested Options, whichever is earlier, or if any of the events referred to in paragraph 6.6(d), 6.6(e) or 6.6(f) occurs during such period, exercise the Options pursuant to paragraph 6.6(d), 6.6(e) or 6.6(f) respectively;

- (b) in the event of the Grantee ceasing to be an Eligible Participant by reason of his/her ill-health or retirement in accordance with his/her contract before exercising the Option in full, and none of the events which would be a ground for termination of his/her employment or directorship under paragraph 7.1(e) arises, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of cessation of employment or directorship which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Board may determine, or if any of the events referred to in paragraph 6.6(d), 6.6(e) or 6.6(f) occurs during such period, exercise the Option pursuant to paragraph 6.6(d), 6.6(e) or 6.6(f) respectively. For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall lapse and determine on the date of cessation of employment or directorship. The Options lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;
- (c) 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 by reason of matters other than those specified in paragraph 6.6(a), 6.6(b) or 7.1(e) before exercising the Option in full, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of three months following the date of cessation of employment or directorship which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Board may determine, or if any of the events referred to in paragraph 6.6(d), 6.6(e) or 6.6(f) occurs during such period, exercise the Option pursuant to paragraph 6.6(d), 6.6(e) or 6.6(f) respectively. For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall lapse and determine on the date of cessation of employment or directorship.

The Options lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit;

- (d) if a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee (or his/her Personal Representative) shall, notwithstanding any other terms on which his/her Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice to the Company in accordance with the provisions of paragraph 6.3 at any time within one month after the date on which such offer becomes or is declared unconditional or within one month after the record date for entitlements under scheme of arrangement, as the case may be;
  
- (e) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees (containing an extract of the provisions of this paragraph 6.6(e)) and thereupon, each Grantee (or his/her Personal Representative) shall be entitled, by notice in writing to the Company at any time not less than two Business Days prior to the proposed general meeting, to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice to the Company in accordance with the provisions of paragraph 6.3, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting, allot and issue or transfer out of treasury such number of Shares to the Grantee which falls to be issued or transferred out of treasury on such exercise of the Option credited as fully paid and register the Grantee as holder thereof; and

(f) in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or 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 the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and thereupon, each Grantee (or his/her Personal Representative) shall be entitled, by notice in writing to the Company at any time until the expiry of the period commencing on such date and ending on the earlier of (i) the date of two months after that date; or (ii) the date of not less than two Business Days prior to the date of the meeting directed to be convened by the court for the purpose of considering such a scheme or arrangement (the “**Suspension Date**”), to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in such notice to the Company in accordance with the provisions of paragraph 6.3, whereupon the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue or transfer out of treasury such number of Shares to the Grantee which falls to be issued or transferred out of treasury on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine.

6.7 The Shares to be allotted and issued or treasury shares to be transferred upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue (excluding treasury shares) on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued or transferred out of treasury upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

## 7. EARLY TERMINATION OF OPTION PERIOD

- 7.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall automatically lapse on the earliest of:
- (a) the expiry of the Option Period (subject to the provisions of this Scheme, in particular the periods referred to in paragraph 6.6);
  - (b) the date on which the Grantee commits a breach of paragraph 6.1;
  - (c) the expiry of any of the periods referred to in paragraph 6.6;
  - (d) the date of the commencement of the winding-up of the Company;
  - (e) the date on which the Grantee (if an employee or a director of the Company or another member of the Group) ceases to be an Eligible Participant by reason of termination of his/her employment or directorship on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his/her creditors generally or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute). A resolution of the Board or the board of directors of the relevant member of the Group to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 7.1(e) shall be conclusive and binding on the Grantee; and
  - (f) 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 6.6).
- 7.2 The Company shall owe no liability to any Grantee for the lapse of any Options under paragraph 7.1.
- 7.3 Transfer of employment or directorship of a Grantee from one member of the Group to another member of the Group shall not be considered cessation of employment or directorship. It shall not be considered cessation of employment or directorship if a Grantee is placed on such leave of absence which is considered by the board of directors of the relevant member of the Group not to be a cessation of employment or directorship of the Grantee.

## 8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 The total number of Shares which may be issued or transferred out of treasury in respect of all options and awards to be granted under this Scheme and any other share schemes for the time being of the Company (the “**Scheme Mandate Limit**”) must not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of approval of this Scheme. Options or awards lapsed in accordance with the terms of this Scheme and (as the case may be) such other share schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 8.2 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 or transferred out of treasury in respect of all options and awards to be granted under this Scheme and any other share schemes for the time being 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.
- 8.3 The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit under this Scheme after three years from the date of the Shareholders’ approval for the last refreshment (or the Adoption Date). Any refreshment of the Scheme Mandate Limit within any three-year period must be approved by the Shareholders subject to the following provisions:
- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, the Directors (excluding the 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,

provided that the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro-rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.

- 8.4 The total number of Shares which may be issued or transferred out of treasury in respect 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 refreshed pursuant to paragraph 8.3 must not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.
- 8.5 The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that 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. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, the purpose of granting the Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange or under the Listing Rules from time to time. The number and terms of the Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Exercise Price.
- 8.6 Subject to paragraph 8.7, the total number of Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards granted to an Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) in the 12-month period shall not exceed 1% of the Shares in issue (excluding treasury shares).
- 8.7 Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury shares), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options and awards previously

granted to such Eligible Participant in such 12-month period), the purpose of granting the Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange or under the Listing Rules from time to time. The number and terms (including the Exercise Price) of the Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Exercise Price.

8.8 Without prejudice to paragraph 4.7, where any grant of Options to a substantial Shareholder, or any of his/her associates, would result in the Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares), such grant of Options must be approved by the Shareholders in general meeting in the manner set out below. The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. 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:

- (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 grant should be taken as the Date of Grant for the purpose of calculating the Exercise 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 as may be required by the Stock Exchange or under the Listing Rules from time to time.

- 8.9 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 in Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).
- 8.10 For the avoidance of doubt, the requirements for the grant of Options to a Director or chief executive of the Company set out in paragraphs 8.8 and 8.9 do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

## **9. REORGANISATION OF CAPITAL STRUCTURE**

- 9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, sub-division or consolidation of the Shares, or reduction of the share capital of the Company, then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the Auditor or the Independent Financial Adviser to certify in writing the adjustment, if any, that ought in its opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which any Option relates (insofar as it is unexercised); and/or
- (b) the Exercise Price of any unexercised Option,

and an adjustment as so certified by the Auditor or the Independent Financial Adviser shall be made, provided that:

- (i) any such adjustment shall give the Grantee the same proportion of the number of issued Shares (rounded to the nearest whole Share) as that to which such Grantee was previously entitled;
- (ii) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value;

- (iii) the issue of the Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In respect of any such adjustments, the Auditor or the Independent Financial Adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, the supplementary guidance issued by the Stock Exchange on 5 September 2005, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

- 9.2 Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to this section shall be referred to the decision of the Auditor or the Independent Financial Adviser who shall act as an expert and not as an arbitrator and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.
- 9.3 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditor or the Independent Financial Adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditor or the Independent Financial Adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.
- 9.4 In giving any certificate under this paragraph 9, the Auditor or the Independent Financial Adviser shall be deemed to be acting as an expert and not as an arbitrator and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **10. CANCELLATION OF OPTIONS**

- 10.1 Subject to the provisions of this Scheme and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Board.
- 10.2 Where the Company cancels any Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

## **11. SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the share capital of the Company. Subject thereto, the Board shall make available sufficient of the then authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Option.

## **12. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the Exercise Price or any adjustment under paragraph 9.1) shall be referred to the decision of the Auditor or the Independent Financial Adviser who shall act as an expert and not as an arbitrator and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

## **13. ALTERATION OF THIS SCHEME**

- 13.1 This Scheme may be altered in any respect by a resolution of the Board except:
- (a) 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; or
  - (b) any alterations to the terms and conditions of this Scheme which are of a material nature,

which shall only be altered with the approval of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the Articles of Association for the time being for a variation of the rights attached to Shares.

- 13.2 Any change to the terms of Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- 13.3 Any change to the authority of the Board or the administrator of this Scheme to alter the terms of this Scheme must be approved by the Shareholders in general meeting.
- 13.4 The amended terms of this Scheme must comply with the relevant requirements of Chapter 17 of the Listing Rules.

#### **14. TERMINATION**

- 14.1 The Company by an ordinary resolution in general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and (subject to vesting in accordance with the terms of the Offer) exercisable in accordance with this Scheme.
- 14.2 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 scheme to be established or refreshment of the Scheme Mandate Limit under any existing scheme after such termination.

## 15. MISCELLANEOUS

- 15.1 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/her office or employment shall not be affected by his/her participation in this Scheme or any right which he/she 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.
- 15.2 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.
- 15.3 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 provision of any other service in relation to this Scheme.
- 15.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notices or documents being sent to the Shareholders.
- 15.5 The Company must comply with Chapter 14A of the Listing Rules for providing financial assistance (if any) to any Grantee who is a connected person for the purpose of facilitating such Grantee's subscription of the Shares under the Option.
- 15.6 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 or by e-mail to, in the case of the Company, its principal place of business in Hong Kong or principal place of business in Singapore or e-mail address (as the case may be) as notified to the Grantee from time to time and, in the case of the Grantee, his/her address or e-mail address (as the case may be) as notified to the Company from time to time or time.
- 15.7 Any notice or other communication if sent by a Grantee shall be irrevocable and shall not be effective until actually received by the Company.

- 15.8 Any notice or other communication if sent to a Grantee shall be deemed to be given or made:
- (a) one day after the date of posting, if sent by mail;
  - (b) when delivered, if delivered by hand; and
  - (c) at the time of transmission, if sent by e-mail.
- 15.9 A Grantee shall, before accepting an Offer or exercising his/her Option, obtain all necessary consents and approvals that may be required to enable him/her to accept the Offer or to exercise the Option and the Company to allot and issue to him/her in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his/her Option. By accepting an Offer or exercising his/her Option, the Grantee thereof is deemed to have represented to the Company that he/she has obtained all such consents and approvals. Compliance with this paragraph 15.9 shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his/her Options. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein.
- 15.10 A Grantee shall pay all tax and discharge all other liabilities to which he/she may become subject as a result of his/her participation in this Scheme or the exercise of any Option.
- 15.11 By accepting an Offer, a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him/her for loss of any rights under this Scheme.
- 15.12 Save as otherwise sets out in this Scheme, there are no voting, dividend, transfer and other rights, including those arising on liquidation of the Company, attaching to the Options.
- 15.13 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.