

**Midland Holdings Limited**  
**美聯集團有限公司**  
*(Incorporated in Bermuda with limited liability)*

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**SHARE OPTION SCHEME**  
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Adoption Date: [1] July 2026

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*(Incorporated in Bermuda with limited liability)*

**SHARE OPTION SCHEME**

**1. Definitions**

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

“Administration Committee”	means a committee appointed by the Board comprising all of the non-executive Directors of the Company (including the independent non-executive Directors of the Company) in office from time to time or where there is no or only one non-executive Director of the Company, such other person(s) appointed by the Board from time to time for the purpose of administration of the Scheme;
“Adoption Date”	means 1 July 2026 (the date on which the Scheme is conditionally adopted after being approved by the shareholders of the Company in general meeting);
“associate”	shall have the same meaning ascribed to it under the Listing Rules;
“Auditor”	means the auditor for the time being of the Company;
“Board”	means the board of Directors of the Company or (where the context so permits) a duly authorised committee thereof for the time being;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“close associate”	shall have the same meaning ascribed to it under the Listing Rules;
“Company”	means Midland Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;

“day”	means calendar day;
“Director”	means a director of the Company;
“Exercise Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in paragraph 6;
“Grantee”	means any Participant who accepts an Offer, or (where the context so permits) a person who is entitled to any such Option in consequence of the death of the original Grantee (including his or her legal personal representative(s)), in accordance with the provisions of the Scheme;
“Group”	means the Company and its Subsidiaries from time to time;
“HK\$”	means Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“month”	means calendar month;
“Offer”	means the offer of the grant of an Option made in accordance with the provisions of the Scheme;
“Offer Date”	means the date of grant of Option as described in sub-paragraph 5.3, which date must be a Business Day;
“Option”	means a right to subscribe for Shares pursuant to the terms of the Scheme;
“Option Period”	means a period to be determined by the Board in its absolute discretion as being the period during which an Option may be exercised by the Grantee under the Scheme, which shall be notified by the Board to each Grantee upon

	grant of the Option and such period to commence on a date not earlier than the date on which the Option is granted or deemed to be granted and, expire not later than 10 years from the Offer Date of the Option;
“Participant”	means any director or employee of the Group (but excluding each member of the Administration Committee), including those who are granted Options under the Scheme as an inducement to enter into employment contract with such company (the “ <b>Employee Participants</b> ”), as absolutely determined by the Board in accordance with the terms of the Scheme;
“Relevant Company”	means the relevant company within the Group;
“Remuneration Committee”	means the remuneration committee of the Company;
“Scheme”	means this share option scheme in its present form or as amended from time to time;
“Scheme Mandate Limit”	means the total number of Shares in respect of which Options may be granted pursuant to the Scheme and any other share schemes of the Company;
“Scheme Period”	means 10 years commencing on the Adoption Date;
“Share(s)”	means the ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	in relation to a company, shall have the same meaning ascribed to it under the Listing Rules, whether incorporated in Hong Kong or elsewhere;

“substantial shareholder” shall have the same meaning ascribed to it under the Listing Rules; and

“treasury shares” shall have the same meaning ascribed to it under the Listing Rules.

1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to paragraphs or sub-paragraphs are to paragraphs or sub-paragraphs of the Scheme.

1.3 Unless the context otherwise requires, references in the Scheme to the singular shall be deemed to include references to the plural and vice versa; references to one gender shall include all genders; references to natural persons shall include corporations and unincorporated associations; and references to any enactment shall be construed as a reference to such enactment as from time to time amended, extended or re-enacted.

## **2. Purpose and Participants of the Scheme**

2.1 The Scheme is adopted for the following principal purposes to provide the Company with a flexible means:-

- (a) to give incentive to, reward, and/or provide benefits to, the selected Participants;
- (b) to attract and retain quality personnel for the development of the business of the Group;
- (c) to recognise the contributions of the selected Participants to the growth of the Group by rewarding them with opportunities to obtain ownership interest in the Company; and/or
- (d) to promote the long term success of the Group by aligning the interests of the selected Participants to the shareholders of the Company.

2.2 In determining the basis of eligibility of, and the terms of grant of Options to each of the Participants, the Board may in its absolute discretion invite any Participant, having regard to such person’s qualifications, skills, background, experience, service records and/or contribution or potential value towards the development and growth of the Group, to take up the Options under the Scheme at a price calculated in accordance with paragraph 6 below, provided that any Director (who is a Participant) shall abstain from voting on all resolution(s) of the Board in respect of the making of an Offer to himself/herself.

In particular, the Board would take into account, on a case-by case basis, among other things, the following factors in assessing the eligibility of the relevant

Employee Participants: (i) their individual performance; (ii) their time commitment, responsibilities or employment conditions with reference to the prevailing market practice and industry standard; (iii) the length of their engagement with the Group; and (iv) their individual contributions or potential contributions towards the development and growth of the Group.

### **3. Conditions**

The Scheme shall take effect subject to the following conditions:-

- (a) the passing of an ordinary resolution approving the adoption of the Scheme by the shareholders of the Company in general meeting; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options that may be granted under the Scheme.

### **4. Duration and administration**

- 4.1 Subject to paragraphs 3 and 16, the Scheme shall be valid and effective for the Scheme Period, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect and Options which are granted during the Scheme Period may continue to be exercisable in accordance with the provisions of the Scheme.
- 4.2 The Scheme shall be subject to the administration of the Administration Committee. Subject to the requirements of the Listing Rules and the terms of the Scheme, the Administration Committee shall have the right to interpret and construe the provisions of the Scheme and make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Scheme. The Company shall bear the costs of establishing and administering the Scheme.
- 4.3 The Company may issue new Shares and/or utilise treasury shares (if any) to satisfy grant of the Options under the Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the constitutional documents.

### **5. Grant of Options**

- 5.1 On and subject to the terms of the Scheme, the Board shall be entitled at any time on a Business Day during the Scheme Period to make an Offer to any Participant who, as the Board may in its absolute discretion determine, has contributed or will contribute to the growth and development of the Group, provided that any Director (who is a Participant) shall abstain from voting on all resolution(s) of the Board in respect of the making of an Offer to himself/herself.
- 5.2 Subject to the Listing Rules and other applicable laws and regulations as may be in

force from time to time, any grant of Option may not be made after inside information (as defined in the Listing Rules) has come to the knowledge of the Company until such inside information has been announced in accordance with the relevant applicable laws and regulations. In particular, no Option may be granted during the period commencing 30 days immediately before the earlier of:-

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for 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
- (b) the last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no Option may be granted includes any period of delay in publishing the results announcement.

Where the grant of Options is made to a Director, notwithstanding the paragraph above, no Options shall be granted to the Directors: (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of half-year results or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results.

- 5.3 An Offer shall be made to a Participant by letter (the “**Offer Letter**”) in such form and substance as the Board may from time to time in its absolute discretion determine specifying the number of Shares, the Exercise Price, the Option Period, performance target(s) (if any) as the Board thinks appropriate that must be achieved by the Grantee and vesting period for which an Option must be held before an Option can be exercised, and requiring the 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 the Scheme and shall remain open for acceptance by the Participant to whom an Offer is made for a period of ten (10) Business Days from the Offer Date provided that no such Offer shall be open for acceptance after expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof (whichever is the earlier), and such terms and conditions shall not be inconsistent with any other terms and conditions of the Scheme, and that no such Offer 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 grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

- 5.4 An Offer shall be deemed to have been accepted, and the Option to which the Offer relates shall be deemed to have been granted, on the Offer Date when the duplicate Offer Letter comprising an acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein together with the Grantee's payment of a consideration of HK\$1.00 for the grant thereof is received by the Company within ten (10) Business Days from the Offer Date. Such payment shall in no circumstances be refundable.
- 5.5 Any Offer may be accepted or deemed to have been accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner indicated in subparagraph 5.4, it will be deemed to have been irrevocably declined without notice.
- 5.6 Options shall be evidenced by certificates in such form as the Board shall from time to time determine. When an Option is exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole Option and a new Option certificate in respect of the balance shall be issued accordingly by the Company as soon as reasonably practicable after such partial exercise.
- 5.7 Subject to the provisions of the Scheme, the Listing Rules and any applicable laws and regulations, the Board may at its sole and absolute discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the Scheme as it may think fit (which shall be stated in the Offer Letter), including any performance target(s) the Board thinks appropriate that must be achieved by the Grantee and any vesting period for which an Option must be held, before any Options can be exercised. The performance target, if any, shall be based on the performance of the Participant and/or the operating or financial performance of the Group including but not limited to (i) business performance and financial performance of the Group such as the profit before tax of the Group; (ii) attaining of corporate goals (e.g. operational efficiency, optimisation of internal operations and systems, consolidation of customer relationships); (iii) individual performance; and/or (iv) other criteria (e.g. leadership, skills enhancement, technology empowerment, innovation) to be determined by the Board in its absolute discretion from time to time, which shall be set out in the relevant Offer Letter in relation to the grant of Options issued to each selected Participant.

The Company will evaluate the actual performance and contribution of a Participant against the performance targets set and form a view as to whether the relevant performance targets have been satisfied. For Employee Participants, each performance target may be assessed either annually or cumulatively over a period of years, on an absolute basis or relative to pre-established targets, to previous years' results or to a designated comparison group, in each case as specified by the Board (or, in case the Grantee is a Director and/or a chief executive of the Company, the Remuneration Committee) in its sole discretion. The Board (and the Remuneration

Committee in respect of grants of Options to the Directors and/or chief executive of the Company) shall have the sole discretion in determining whether the relevant performance targets for the Participant have been met.

5.8 Notwithstanding the terms and conditions of the Scheme, the Board has the authority to clawback any Option that has been previously granted but not yet exercised, without a Grantee's consent, in the event that:

- (a) a Grantee ceases to be a Participant by reason of the termination of his or her employment or contractual engagement with the Group or the Relevant Company for cause or without notice or with payment in lieu of notice;
- (b) a Grantee has been convicted of a criminal offence involving his or her integrity or honesty;
- (c) in the reasonable opinion of the Board, a Grantee has engaged in serious misconduct or breaches the terms of the Scheme or the Offer Letter in any material respect; or
- (d) the Company is required to exercise a claw-back in accordance with applicable laws and regulations, including the Listing Rules, and/or pursuant to a request from any regulatory authority (including but not limited to the Stock Exchange).

Under the above circumstances, the Board may (but is not obliged to) by notice in writing to the Grantee concerned claw back such number of Options (to the extent not being exercised) granted as the Board may consider appropriate. The Options that are clawed back pursuant to this paragraph shall be regarded as lapsed and the Options so clawed back will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Annual Limit (including the refreshed limit, as the case may be).

5.9 In the event Options were granted to the Directors or senior management of the Company without performance targets and/or a clawback mechanism, the Company will comply with the requirements under the Listing Rules that the relevant announcement will include the views of the Remuneration Committee on why performance targets and/or a clawback mechanism are not necessary and how the grants would align with the purpose of the Scheme.

## **6. Exercise Price**

The Exercise Price shall be a price solely determined by the Board at its absolute discretion and shall not be less than the highest of :-

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;

- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share on the Offer Date.

Without prejudice to the generality of the foregoing and subject to the Listing Rules, the Board may grant Options in respect of which the Exercise Price is fixed at different prices for different periods during the Option Period.

## **7. Exercise of Options**

7.1 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 (whether legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement to do so. Any breach of the foregoing by the Grantee shall entitle the Company to immediately cancel any Option granted to such Grantee (to the extent not already exercised) without the consent of the relevant Grantee.

7.2 An Option may be exercised in the manner as set out in sub-paragraph 7.3 by the Grantee (or his or her legal personal representative(s)) 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 payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given and the relevant scrip fee and expenses for the issue of share certificates together with the Option certificate for amendment or cancellation. Within twenty-eight (28) Business Days after receipt of the notice and the aforesaid payment and, where appropriate, receipt of the written confirmation from the independent financial adviser or the Auditor pursuant to paragraph 11, the Company shall allot the relevant Shares to the Grantee (or his or her legal personal representative(s)) credited as fully paid and issue to the Grantee (or his or her legal personal representative(s)) a share certificate in respect of the Shares so allotted.

7.3 Subject to as hereinafter provided and such other terms and conditions upon which such Option is granted, the Option may be exercised in whole or in part at any time during the Option Period provided that :-

- (a) in the event of the Grantee ceasing to be a Participant for any reason other than (i) his or her death or (ii) the termination of his or her employment, directorship, office or appointment on one or more of the grounds specified in sub-paragraph 8(d), the Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent not already exercised) within the period of three (3) months, or such other period as the Board may determine, following the date of such cessation, which date shall be the last actual working day with the Relevant Company whether salary is paid in lieu

of notice or not, or the last date of office or appointment as director of the Relevant Company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the Relevant Company shall be conclusive (provided that the transfer of employment, directorship, office or appointment of a Participant from a Relevant Company to another Relevant Company, or the retirement of any director by rotation pursuant to the constitutional documents of the Relevant Company at its general meeting, who is re-elected at such general meeting, shall not be regarded as ceasing to be a Participant arising from termination of his or her employment, directorship, office or appointment for the purpose of this paragraph);

- (b) in the event of the Grantee ceasing to be a Participant by reason of death and none of the events which would otherwise be a ground for termination of his or her employment, directorship, office or appointment under sub-paragraph 8(d) arises, the legal personal representative(s) of the Grantee or the Grantee, as the case may be, shall be entitled within a period of twelve (12) months following the date of death of the Grantee, or such other period as the Board may determine, to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent not already exercised);
- (c) where the Grantee is a Participant of a Relevant Company at the time of the grant of the relevant Option, in the event that such Grantee shall cease to be a Participant of the Relevant Company but immediately following such cessation becomes, or continues to be, a Participant of another Relevant Company, then the Option (to the extent exercisable and not exercised) shall remain exercisable until its expiry in accordance with the provisions of the Scheme and the terms and conditions upon which such Option is granted unless the Board shall determine to the contrary;
- (d) if a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall, subject to the applicable laws and regulatory requirements, use its best endeavours to procure that such offer is extended comparably to all the Grantees. If such offer, having been approved in accordance with applicable laws and regulatory requirements and/or becomes, or is declared unconditional, the Grantee (or the Grantee's legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent which has become exercisable and not already exercised) at any time within fourteen (14) days or such other period as may be notified by the Company after the date on which such general offer has been approved and/or becomes or is declared unconditional;

- (e) if a compromise or arrangement (including any process having similar effect) between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees on the same date as it despatches the notice of meeting to each shareholder or creditor of the Company to consider such a compromise or arrangement, and thereupon each Grantee (or the Grantee's legal personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of his or her Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse and determine except insofar as previously exercised under the Scheme. The Company may require the Grantee (or the Grantee's legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement, or otherwise as the Company may require for the proper conduct of the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and
- (f) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees. Each Grantee (or the Grantee's legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than four (4) Business Days prior to the proposed date of the general meeting) exercise all or any of his or her Options (to the extent which has become exercisable and not already exercised), such notice to be accompanied by a payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, 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

referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid and register the Grantee as holder thereof.

- 7.4 Notwithstanding any rights to be conferred on any Grantee upon the occurrence of any events prescribed in sub-paragraph 7.3, the vesting period of any Options granted to any Participant under the Scheme shall not be less than twelve (12) months from (and including) the Offer Date. The vesting period in respect of any Options granted to Employee Participants may be less than twelve (12) months from (and including) the Offer Date in any of the following circumstances:
- (a) grants of Options with performance-based vesting conditions pursuant to the requirements as provided in the scheme document (if any) in lieu of time-based vesting criteria;
  - (b) grants of Options that are made in batches during a year for administrative and compliance reasons;
  - (c) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; and
  - (d) grants of Options with a total vesting and holding period of more than twelve (12) months.
- 7.5 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the constitutional documents of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment 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, and accordingly shall have the same voting, dividend, transfer and other rights, including those arising on a liquidation of the Company as attached to the fully paid Shares in issue as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment 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, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or if later, before the date of registration of the allotment in the register of members of the Company. No voting rights shall be exercisable and no dividends shall be payable in relation to any Options that have not been exercised. Shares to be allotted upon the exercise of the Options shall not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof.
- 7.6 The Company shall use all reasonable endeavours to procure that Shares to be issued upon the exercise of an Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on those stock exchanges upon which Shares already in issue are listed save that this obligation will lapse in the event that the

listing of the Shares on those stock exchanges is withdrawn.

## **8. Lapse of Option**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:-

- (a) the expiry of the relevant Option Period;
- (b) the expiry of any of the periods referred to in sub-paragraph 7.3;
- (c) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in sub-paragraph 7.3(e);
- (d) except as otherwise determined by the Board, the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment, directorship, office or appointment on the grounds that he or she has been guilty of misconduct, or has committed any act of bankruptcy, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which the Relevant Company would be entitled to terminate the Grantee's employment, directorship or office or appointment at common law or pursuant to such laws applicable or under the Grantee's service contract or contract of appointment with the Relevant Company. A resolution of the board of directors or governing body of the Relevant Company to the effect that the employment or directorship or office or appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8(d) shall be conclusive;
- (e) subject to sub-paragraph 7.3(f), the date of the commencement of the winding up of the Company;
- (f) the date on which the Grantee commits a breach of sub-paragraph 7.1; or
- (g) the date on which the Option is cancelled by the Board as provided in paragraph 15.

## **9. Maximum number of Shares available for subscription**

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other share schemes of the Company shall not in aggregate exceed five (5) per cent of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date unless the Company obtains further approval from its shareholders pursuant to sub-paragraph 9(b) and/or 9(c) (as the case may be). In respect of the period of

12 months from the Adoption Date and for each of the subsequent periods of 12 months from the previous anniversary of the Adoption Date (each of those 12-month periods is hereinafter referred to as a “**Scheme Year**”), the total number of Shares which may be issued upon exercise of the Share Options granted in each Scheme Year shall not exceed 0.5 per cent of the total number of Shares in issue (excluding treasury shares) as at the Adoption Date (the “**Annual Limit**”) unless the Company obtains further approval from its shareholders pursuant to sub-paragraph 9(b) and/or 9(c) (as the case may be). Options lapsed in accordance with the terms of the Scheme or any other share schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Annual Limit.

- (b) The Company may seek approval by its shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Annual Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share schemes of the Company under the limit as “refreshed” (i) in respect of the Scheme Mandate Limit, shall not exceed five (5) per cent of the total number of Shares in issue (excluding treasury shares) as at the date of approval of the “refreshed” limit; and (ii) in respect of the Annual Limit, shall not exceed 0.5 per cent of the total number of Shares in issue (excluding treasury shares) as at the date of approval of the “refreshed” limit. The Company shall send a circular to its shareholders containing the number of options that were already granted under the Scheme, the reason for the “refreshment”, and all the information required under the Listing Rules.
- (c) The Company may seek separate approval by its shareholders in general meeting for granting Options beyond any of the limits set out in sub-paragraph 9(a) or 9(b) (as the case may be) provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such case, the Company must send a circular to its shareholders containing the name of each specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted to each Participant, the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, and all the information required under the Listing Rules. The number and terms of Options to be granted to such Participant must be fixed before shareholders’ approval and the date of Board meeting for proposing such grant, which must be a Business Day, should be taken as the date of grant for the purpose of determining the Exercise Price.
- (d) Where the refreshment of the Scheme Mandate Limit and/or the Annual Limit is sought: (A) within three years from the date of shareholders’ approval for the last refreshment (or, as the case may be, the Adoption Date): (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 relevant Listing Rules requirements; and (B) after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the Adoption Date), the requirements under (A) shall not be applicable.

- (e) If the Company conducts a sub-division or consolidation of Shares after the Scheme Mandate Limit and/or the Annual Limit set out in sub-paragraph 9(a) or 9(b) (as the case may be) has been approved by its shareholders in general meeting, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and all other share schemes of the Company (i) under the five (5) per cent limit in respect of the Scheme Mandate Limit, and (ii) under the 0.5 per cent limit in respect of the Annual Limit, as a percentage of the total number of issued Shares of the Company at the date immediately before and after such sub-division or consolidation of Shares shall be the same (rounded to the nearest whole share).

#### **10. Maximum entitlement of Shares of each Participant**

- (a) Subject to sub-paragraphs 10(b), (c) and (d), the total number of Shares issued and to be issued upon exercise of all options granted to each Participant under the Scheme and any other share schemes of the Company (excluding those lapsed in accordance with the terms of the Scheme) in any 12-month period shall not exceed one (1) per cent of the total number of Shares in issue (excluding treasury shares).
- (b) Notwithstanding sub-paragraph 10(a), where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (excluding those lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over one (1) per cent of the total number of Shares in issue (excluding treasury shares), such further grant must be separately approved by the shareholders of the Company in general meeting with such Participant and his or her close associates, or his or her associates if the Participant is a connected person of the Company (all within the meaning as ascribed under the Listing Rules), abstaining from voting. In such case, the Company shall send a circular to its shareholders and the circular shall disclose the identity of the Participant, the number and terms of the Options to be granted (and those previously granted to such Participant in the 12-month period), the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, and all the information as required under the Listing Rules. The number and terms

of the Options to be granted to such Participant shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant, which must be a Business Day, should be taken as the date of grant for the purpose of determining the Exercise Price.

- (c) In addition to paragraph 9 and sub-paragraphs 10(a) and 10(b), each grant of Options to a Participant who is a Director (other than members of Administration Committee), chief executive or substantial shareholder of the Company, or any of their respective associates under the Scheme must be approved by the independent non-executive Directors of the Company.
- (d) Where the Board proposes to grant any Option to a Participant who is a substantial shareholder of the Company, or any of their respective associates, which would result in the Shares issued and to be issued in respect of all options granted (excluding those lapsed in accordance with the terms of the Scheme) to such Participant under the Scheme and any other share schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 0.1 per cent of the total number of Shares in issue (excluding treasury shares), such proposed grant of Options must be approved by the shareholders of the Company in general meeting. In such case, the Company shall send a circular to its shareholders containing details of the number and terms of the Options and all the information required under the Listing Rules. The Participant, his or her associates, and all core connected persons (within the meaning as ascribed under the Listing Rules) of the Company shall abstain from voting in favour at such general meeting. The number and terms of the Options to be granted to such Participant shall be fixed before the shareholders' meeting, and the date of Board meeting for proposing such proposed grant, which must be a Business Day, is to be taken as the date of grant for the purpose of determining the Exercise Price. For the avoidance of doubt, a substantial shareholder of the Company or any of his or her associates in this section refers only to Participants of the Scheme as defined herein, being a Director or employee of the Group.
- (e) Approval by the shareholders of the Company as required under sub-paragraph 10(d) is also required for any change in the terms of Options granted to a Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates if the initial grant of the Options requires such approval, except where the changes take effect automatically under the existing terms of the Scheme.

## **11. Reorganisation of capital structure**

Subject to paragraphs 9 and 10 above, in the event of capitalisation issue, rights issue, consolidation, sub-division, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange whilst any Option remains exercisable (excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect

of a transaction), such corresponding adjustments (if any) shall be made to:-

- (a) the number of Shares subject to the Options granted but unexercised under the Scheme; and/or
- (b) the Exercise Price at which a Grantee may subscribe for Shares on the exercise of an Option.

In respect of any such adjustments, other than any adjustments made on a capitalisation issue, an independent financial adviser or the Auditor must confirm in writing to the Directors of the Company, that such adjustments are in their opinion fair and reasonable, and satisfy the requirements set out in the Listing Rules, including the note to Rule 17.03(13) therein and the Appendix 1 to FAQ13 – No.16 issued by the Stock Exchange (and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time) (“**Supplementary Guidance**”). In any event, the Company shall observe the adjustment calculation approaches, methodologies and formulae detailed in the Supplementary Guidance, in line with the overriding principle that no adjustments to the exercise price or number of Shares should be made to the advantage of any Participants without specific prior Shareholders’ approval, as illustrated in the Supplementary Guidance. Any adjustment shall give a Grantee the same proportion of the equity capital of the Company (rounded to the nearest whole share) as that to which the Grantee was previously entitled, provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value, and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring adjustment. The capacity of the independent financial adviser or the Auditor in this paragraph is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

## **12. Share capital**

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

## **13. Disputes**

Any dispute arising in connection with the Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of an independent financial adviser or the Auditor who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantee(s)

concerned. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

#### **14. Alteration to terms of the Scheme**

- 14.1 The Scheme may be altered in any respect by resolution of the Board except for the following matters which shall require Shareholders' approval in general meeting:-
- (a) any alteration to the terms and conditions of the Scheme which is of a material nature or any change to the terms relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participant; and
  - (b) any change to the authority of the Directors or administrators of the Scheme to alter the terms of the Scheme.
- 14.2 Any change to the terms of Options granted to a Participant shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the shareholders of the Company in general meeting (as the case may be) if the initial grant of the Options was so approved, except where the alteration takes effect automatically under the existing terms of the Scheme.
- 14.3 The amended terms of the Scheme or the Options must continue to comply with the relevant requirements of Chapter 17 of the Listing Rules. Written notice of any alterations made in accordance with this paragraph shall be given to all Grantees.

#### **15. Cancellation of the Options**

Without prejudice to sub-paragraph 7.1, the Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted. Where the Company cancels Options pursuant to this paragraph and makes an Offer to the same Participant, the Offer may only be made under the Scheme with the available Scheme Mandate Limit and Annual Limit approved by the shareholders of the Company as mentioned in paragraph 9. Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Annual Limit.

#### **16. Termination of the Scheme**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered but the Options already granted hereunder may, subject to the terms of the Scheme, continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of the Scheme shall remain in full force and effect. Details of the Options granted, including Options exercised or outstanding, under the Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of any new scheme to be established or refreshment of the Scheme

Mandate Limit and/or the Annual Limit after its termination.

**17. Miscellaneous**

- 17.1 The Company shall bear the costs of establishing and administering the Scheme.
- 17.2 The Company shall provide a Grantee with a copy of the Scheme and all details relating to any change of the terms of the Scheme during the Option Period.
- 17.3 The Scheme shall not form part of any contract of employment, or service contract, or contract of appointment between the Relevant Company and any Participant and the rights and obligations of any Participant under the terms of such Participant's employment, directorship or office or appointment shall not be affected by such Participant's participation in the Scheme or any right which such Participant may have to participate in it and the Scheme shall afford such Participant no additional rights to compensation or damages in consequence of the termination of such employment, directorship or office or appointment for any reason.
- 17.4 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any Relevant Company directly or indirectly or give rise to any cause of action at law or in equity against any Relevant Company.
- 17.5 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 at Rooms 2505-8, 25<sup>th</sup> Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong or as notified to the Grantee from time to time and, in the case of the Grantee, the Grantee's address in Hong Kong as notified to the Company from time to time.
- 17.6 Any notice or other communication served by post:-
- (a) by the Company shall be deemed to have been served twenty-four (24) hours after the same was put in the post; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 17.7 Any notice or other communication served by electronic communication by the Company shall be deemed to have been served:
- (a) in the case of placing on the Company's website and/or the website of the Stock Exchange, on the day on which the same is published on such website; and

- (b) in any other case, on the day on which the same is transmitted to the Grantee if no notification has been received by the Company within twenty-four (24) hours after the transmission that the electronic communication has not reached the Grantee;

or at such later time as may be prescribed by the Listing Rules or any other applicable laws. Any failure in transmission of the electronic communication which is beyond the Company's control shall not invalidate the effectiveness of the notice or communication being served.

- 17.8 All allotments and issues of Shares will be subject to any necessary consents under any relevant enactment or regulations for the time being in force in Hong Kong or elsewhere. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. 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 the Grantee's participation in the Scheme, nor shall the Company owe any liability to any Grantee for the lapse of any Options granted to any Grantee as referred to in paragraph 8.
- 17.9 A Grantee shall pay all tax and discharge other liabilities to which he or she may become subject as a result of his or her participation in the Scheme or the exercise of any Option.
- 17.10 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong in force from time to time.