

**CSPC Pharmaceutical Group
Limited**

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

SHARE OPTION SCHEME

(Adopted at the annual general meeting held on [28 May 2026])

CONTENTS

	<i>Page</i>
1. Definitions	2
2. Conditions	5
3. Purpose of this Scheme	5
4. Eligible Participants	5
5. Duration and Administration	6
6. Grant of Options	6
7. Restrictions on the Time of Offer	7
8. Subscription Price	8
9. Transferability of Options	8
10. Performance Targets	9
11. Rights on Ceasing Employment or Death	9
12. Takeover Offers, Liquidation and Reconstruction	10
13. Exercise of Options	12
14. Vesting Period	13
15. Lapse of Option	13
16. Maximum Number of Shares Available for Subscription	14
17. Maximum Entitlement of Shares of Each Eligible Participant	16
18. Reorganisation of Capital Structure	17
19. Grant of Options and Allotment of Shares pursuant to the Exercise of Options subject to Shareholders' Approval	18
20. Disputes	18
21. Alteration of this Scheme	18
22. Cancellation of the Options Granted	19
23. Termination of this Scheme	19
24. Clawback Mechanism	20
25. Miscellaneous	20

CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

SHARE OPTION SCHEME

1. Definitions

1.1 In this Scheme, except where the context otherwise requires, the following words and expressions have the following meanings:

“Adoption Date”	means [28 May 2026] (the date on which this Scheme is conditionally adopted by resolution of the shareholders of the Company in general meeting);
“associate”	shall have the same meaning ascribed to it under the Listing Rules;
“Auditors”	means the auditors for the time being of the Company;
“Board”	means the board of Directors or a duly authorised committee thereof for the time being, including the independent non-executive Directors;
“Business Day”	means a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities;
“chief executive”	shall have the same meaning ascribed to it under the Listing Rules;
“close associate”	shall have the same meaning ascribed to it under the Listing Rules;
“Company”	means CSPC Pharmaceutical Group Limited 石藥集團有限公司, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“connected person”	shall have the same meaning ascribed to it under the Listing Rules;

“day”	means calendar day;
“Directors”	means the directors of the Company for the time being;
“electronic communication”	means a communication sent by electronic transmission in any form through any medium;
“Eligible Participant(s)”	means Employee Participants;
“Employee Participants”	means Directors (including executive, non-executive or independent non-executive Directors), chief executive and employees of the Company or any of its subsidiaries (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts or Director's service contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category;
“Grantee”	means any Eligible Participant who accepts an Offer in accordance with the terms of this Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee;
“Group”	means the Company and its subsidiaries from time to time;
“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 (as may be amended, supplemented or modified from time to time);
“month”	means calendar month;
“Offer”	means the offer of the grant of an Option to be made by the Board in accordance with paragraph 6;
“Offer Date”	means the date on which an Offer is made to an Eligible Participant, such date must be a Business Day;
“Option(s)”	means right(s) granted to the Eligible Participants to subscribe for Shares or (as the case may be) be transferred Treasury Shares (if any) pursuant to the terms of this Scheme;

“Option Period”	means a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than ten (10) years from the date upon which any particular Option is granted in accordance with this Scheme;
“Remuneration Committee”	means the remuneration committee of the Company;
“Share(s)”	means share(s) of the Company;
“Shareholder(s)”	means holder(s) of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Price”	means the price per Share at which a Grantee may subscribe for Shares or (as the case may be) be transferred Treasury Shares on the exercise of an Option pursuant to paragraph 8;
“subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company;
“this Scheme”	means this share option scheme in its present or any amended form;
“Treasury Share(s)”	Share(s) repurchased and held by the Company in treasury (if any), as authorized or permitted by the laws and regulations of Hong Kong and/or the articles of association of the Company;
“\$”	means Hong Kong dollars; and
“%”	means per cent.

1.2 In this Scheme, save where the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs of this Scheme;
- (c) words importing the singular shall include the plural and vice versa;
- (d) words importing a gender include every gender;
- (e) references to persons include corporations and un-incorporated associations; and

- (f) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute.

2. Conditions

This Scheme shall take effect upon satisfaction of the following conditions:-

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting approving the adoption of this Scheme, and authorising the Board to grant Options to subscribe for Shares hereunder and to allot and issue Shares or (as the case may be) to transfer Treasury Shares (if any), pursuant to the exercise of any Options granted under this Scheme; 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 granted under this Scheme.

3. Purpose of this Scheme

The purposes of this Scheme are:

- (a) to provide the Company with a flexible means of rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants;
- (b) to align the interests of the Eligible Participants with those of the Company and Shareholders by providing them with the opportunity to acquire proprietary interests in the Company;
- (c) to attract and retain such Eligible Participants and to encourage them to make contributions to the long-term growth and development of the Group; and
- (d) to provide additional incentives for the Eligible Participants to achieve performance goals.

4. Eligible Participants

- 4.1 Eligible Participants as determined by the Board from time to time shall be eligible to participate in this Scheme.

- 4.2 In determining the basis of eligibility of each Eligible Participant, the Board would take into account the factors in assessing whether any individual is eligible to participate in this Scheme, including but not limited to, (i) the performance; (ii) the skill, knowledge, experience, expertise and other personal qualities; (iii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) the length of employment with the Group; (v) the contribution or potential contribution towards the development and growth of the Group; (vi) the prevailing market conditions; and (vii) local market practice and industry standards and benefits.

5. Duration and Administration

- 5.1 Subject to the fulfilment of the conditions in paragraph 2 and the termination provisions in paragraph 23, this Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be granted but in all other respects, subject to the compliance with the provisions under the Listing Rules, the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme, and Options which are granted during the life of this Scheme may continue to be exercisable in accordance with their terms of issue.
- 5.2 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.
- 5.3 Subject to the compliance with the requirements of the Listing Rules and the provisions of this Scheme, the Board shall have the right (i) to interpret and construe the provisions of this Scheme; (ii) to determine the persons who will be awarded Options under this Scheme and the number of Shares to be issued and/or (as the case may be) the number of Treasury Shares to be transferred under the Option; (iii) to determine the Subscription Price; (iv) to make such appropriate and equitable adjustments to the terms of the Options granted under this Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of this Scheme.

6. Grant of Options

- 6.1 On and subject to the requirements of the Listing Rules and the terms of this Scheme, the Board shall be entitled at any time within ten (10) years as on and from the Adoption Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select, and subject to any such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs 16 and 17) determine at the Subscription Price.

- 6.2 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine (the “**Offer Letter**”) specifying the number of Shares under the Option and the Option Period and 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 to whom an Offer is made for a period from the Offer Date to such date as the Board may determine and specify in the Offer Letter (both dates inclusive) (the “**Acceptance Period**”), provided that no such Offer shall be open for acceptance on and after the 10th anniversary from the Adoption Date or on and after the date when this Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.
- 6.3 An Offer shall be deemed to have been accepted by the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect on the Offer Date when the duplicate of the Offer Letter (as defined in sub-paragraph 6.2) comprising 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 a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof is received by the Company within the Acceptance Period, and the Option to which the offer relates shall be deemed to have been granted on the Offer Date. Such remittance shall in no circumstances be refundable or considered as part of the Subscription Price.
- 6.4 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 such number of Shares as representing board lot(s) for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by the Company as mentioned in sub-paragraph 6.3. To the extent that the Offer is not accepted within the Acceptance Period in the manner indicated in sub-paragraph 6.3, it will be deemed to have been irrevocably declined by the Eligible Participant and the Offer shall automatically lapse and become null and void.
- 6.5 Subject to the provisions of this Scheme and the Listing Rules, the Board may at its discretion when making the Offer impose any conditions, restrictions or limitations in relation to the Option as it may at its absolute discretion think fit.

7. Restrictions on the Time of Offer

No Offer shall be made to any Eligible Participant:

- (a) after inside information (having the meaning as defined in the Securities and Futures Ordinance (Cap 571 of Laws of Hong Kong) (as amended from time to time) has come to the Company’s knowledge until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules; or

- (b) during the period commencing thirty (30) days immediately before the earlier of
 - (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its 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. In the event of any delay in publishing an announcement mentioned in sub-paragraph 7(b)(ii) above, no Option may be granted during such period of delay; or

- (c) at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules).

8. Subscription Price

Subject to any adjustments made pursuant to paragraph 18, the Subscription Price in respect of each Share issued or each Treasury Share transferred pursuant to the exercise of Options granted hereunder shall be a price solely determined by the Board and notified to an Eligible Participant and shall be at least the higher of the following:-

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet issued by the Stock Exchange on the Offer Date, which must be a Business Day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date.

9. Transferability of Options

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any outstanding Options or part thereof granted to such Grantee (to the extent that it has not already been exercised) without incurring any liability on the part of the Company.

10. Performance Targets

- 10.1 Save as determined by the Board and provided in the Offer Letter (as defined in sub-paragraph 6.2), there is no performance target stipulated under the terms of this Scheme which a Grantee is required to achieve before any Option granted under this Scheme can be exercised.
- 10.2 The Board may, at its absolute discretion, establish performance targets for the vesting of Options on a case-by-case basis. Such performance targets may comprise a mixture of attaining satisfactory key performance indicators, including without limitation:
- (a) individual performance of the Grantee based on annual appraisal results;
 - (b) financial performance of the Group;
 - (c) performance of the departments or business lines managed by the Grantee; and/or
 - (d) any other criteria relevant to the Grantee's role as determined by the Board from time to time.
- 10.3 The specific performance targets to be satisfied by the Grantees, if any, and the method of assessment shall be specified in the Offer Letter. For the avoidance of doubt, performance targets are not applicable to independent non-executive Directors of the Company.

11. Rights on Ceasing Employment or Death

Subject to as hereinafter provided and subject to the terms and conditions upon which such Option was granted, the Option may be exercised by the Grantee at any time during the Option Period provided that:-

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office or appointment on one or more of the grounds specified in sub-paragraph 15(d) below, the Grantee may exercise the Option in accordance with the provisions of sub-paragraph 13.2 up to the Grantee's entitlement at the date of cessation (to the extent the Grantee is entitled to exercise as at the date of cessation but not already exercised) within the period of three (3) months (or such longer 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, chief executive or employee 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 or governing body of the relevant company shall be conclusive;

- (b) in the event the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office or appointment under sub-paragraph 15(d) arises, the personal representative(s) of the deceased Grantee shall be entitled, within a period of twelve (12) months following the date of the death of the Grantee, or such longer period as the Board may determine from the date of death, to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent which has become exercisable and not already exercised) .

12. Takeover Offers, Liquidation and Reconstruction

- 12.1 If a general or partial offer by way of takeover is made to all the Shareholders (other than by way of scheme of arrangement pursuant to sub-paragraph 12.2 below) (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 with the offeror), the Company shall use its best endeavours to procure that an appropriate offer is extended to all the 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, the Grantee (or his or her personal representative(s)) may by notice in writing to the Company within 21 days after the date on which such offer becomes or is declared unconditional exercise the Options (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company.

- 12.2 If a general offer by way of a scheme of arrangement is made to all the holders of Shares and the scheme has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his or her personal representative(s)) may, by notice in writing to the Company within such time as shall be specified in the notice, exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.

- 12.3 If, pursuant to the Companies Ordinance, a compromise or arrangement 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 (other than a general offer contemplated in subparagraphs 12.1 and 12.2)), the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her 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 a court of competent jurisdiction, exercise any of his or her Options (to the extent which has become exercisable and not already exercised) 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 a court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under this Scheme. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued and/or (as the case may be) Treasury Shares transferred 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; and
- 12.4 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 personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than seven (7) Business Days prior to the date of the proposed general meeting (excluding any period(s) of closure of the Company's share registers)) exercise the Option (to the extent which has become exercisable and not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription 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 the relevant Shares and/or (as the case may be) transfer the relevant Treasury Shares to the Grantee credited as fully paid.

13. Exercise of Options

- 13.1 No dividends or distributions shall be payable in respect of any Shares underlying an option which has not been exercised. Subject to the foregoing, the Shares to be allotted and/or (as the case may be) the Treasury Shares to be transferred upon the exercise of an Option will be subject to all the provisions of the articles of association 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 their allotment and issue (or in the case of the Treasury Shares, the date of their transfer to the Grantee), and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue (or in the case of the Treasury Shares, on or after the date of their transfer to the Grantee) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue (or in the case of the Treasury Shares, before the date of their transfer to the Grantee), provided always that when the date of exercise of the Option falls on a date upon which the register of Shareholders is closed, then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of Shareholders is re-opened.
- 13.2 An Option may be exercised in whole or in part in the manner as set out in the Offer Letter and paragraphs 11 and 12 by the Grantee (or the Grantee's personal representative(s), as the case may be) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and where appropriate, receipt of the written confirmation of the independent financial adviser or the Auditors (as the case may be) pursuant to paragraph 18, the Company shall allot the relevant number of Shares and/or (as the case may be) transfer the relevant number of Treasury Shares to the Grantee (or the Grantee's personal representative(s), as the case may be) credited as fully paid and (to the extent permitted under the Company's articles of association and applicable laws, rules and regulations) issue to the Grantee (or the Grantee's personal representative(s), as the case may be) a share certificate in respect of the Shares so allotted and/or (as the case may be) Treasury Shares so transferred.

14. Vesting Period

Save for the circumstances prescribed below, the vesting period for Options shall not be less than twelve (12) months. The Board may at its discretion grant a shorter vesting period to an Eligible Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners as Eligible Participants to replace the share options or share awards they forfeited when leaving the previous employers;
- (b) grants of Options to an Eligible Participant whose employment is terminated due to death or occurrence of any out-of-control event;
- (c) grants of Options to an Eligible Participant that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons had to wait for the subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options to an Eligible Participant with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or
- (e) grants of Options to an Eligible Participant with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

15. Lapse of Option

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

- (a) the expiry of the Option Period (subject to the provisions of sub-paragraph 5.1 and paragraph 23);
- (b) the expiry of any of the periods referred to in sub-paragraphs 11(a), (b) or paragraph 12.1);
- (c) subject to the scheme of arrangement or compromise becoming effective, the expiry of the period referred to in sub-paragraphs 12.2 or 12.3;

- (d) the date on which the Grantee ceases to be a full-time employee or part-time employee, a director, executive of the relevant company (as the case may be) by reason of the termination of the Grantee's employment, directorship, office or appointment on the grounds that the Grantee has been guilty of misconduct, or has committed any act of bankruptcy, or has become insolvent, or has made any arrangements or composition with the Grantee's creditors generally, or has been convicted of any criminal offence involving the Grantee's integrity or honesty or (if so determined by the Board) on any other ground on which the relevant company would be entitled to terminate the Grantee's employment, directorship, office or appointment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant company, in the event of which a resolution of the board of directors or governing body of the relevant company to the effect that the employment, directorship, office or appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 15(d) shall be conclusive;
- (e) subject to sub-paragraph 12.4, the close of the seven (7) Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (f) the date on which the Board exercises the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 9; or
- (g) the date on which the Option is cancelled by the Board as provided in paragraph 22.

16. **Maximum Number of Shares Available for Subscription**

Subject to the Listing Rules:-

- (a) The total number of Shares which may be issued together with the total number of Treasury Shares which may be transferred (if any) in respect of all Options to be granted under this Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) of the Company that involve(s) the issuance of new Shares and/or transfer of Treasury Shares) in aggregate exceed 1,152,245,173 Shares, representing 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date ("**Scheme Mandate Limit**"), unless the Company obtains a fresh approval from its Shareholders pursuant to sub-paragraphs 16(b) or 16(c).
- (b) The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit set out in sub-paragraph 16(a) above under this Scheme after three (3) years from the Adoption Date or the last refreshment.

- (c) Any refreshment within any three (3) year period must be approved by the Shareholders subject to the following:
- (i) 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) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (iii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-paragraphs 16(c)(i) and 16(c)(ii) above do not apply if the refreshment is made immediately after an issue of Shares 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 total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.

- (d) The total number of Shares which may be issued together with the total number of Treasury Shares which may be transferred (if any) in respect of all Options to be granted under this Scheme (when aggregated with any other options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company that involve(s) the issuance of new Shares and/or transfer of Treasury Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- (e) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to its Shareholders a circular 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, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

17. Maximum Entitlement of Shares of Each Eligible Participant

- 17.1 The maximum number of Shares in respect of which Options may be granted to a single Eligible Participant under this Scheme in any twelve (12)-month period up to and including the date of such grant shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares and/or transfer of Treasury Shares but excluding those which have lapsed in accordance with terms of the relevant scheme(s)) exceed 1% of the Shares in issue (excluding Treasury Shares, if any) (the “**1% Individual Limit**”), unless the Company obtains an approval from its Shareholders pursuant to sub-paragraph 17.2 below.
- 17.2 The Company may seek separate approval by the Shareholders in general meeting for granting Options to a single Eligible Participant beyond the 1% Individual Limit referred to in sub-paragraph 17.1 provided that:
- (a) such Eligible Participant and his/her/its close associates (or associates if the Eligible Participant is a connected person of the Company) abstains from voting on the relevant resolution;
 - (b) the Company sends to the Shareholders a circular containing the identity of such Eligible Participant, the number and terms of the Options to be granted (and options and awards of new Shares previously granted to such Eligible Participant in the twelve (12)-month period) and all such other information as may be required under the Listing Rules; and
 - (c) the number and terms of the Options to be granted to such Eligible Participant must be fixed before Shareholders' approval.

In respect of any such Options to be granted, the date of the meeting or resolution of the Board for proposing and approving such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

- 17.3 Any grant of Options to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee).
- 17.4 Any change in the terms of Options granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders in the manner as required under 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).

- 17.5 Where any grant of Options to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued together with Treasury Shares transferred or to be transferred (if any) in respect of all options and awards granted under this Scheme and any other share scheme(s) of the Company that involve(s) the issuance of new Shares and/or transfer of Treasury Shares (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares (excluding Treasury Shares), such grant of Options shall be approved by Shareholders in general meeting in accordance with the requirements of Chapter 17 of the Listing Rules.

18. Reorganisation of Capital Structure

- 18.1 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 in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- 18.2 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements 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 to which the Company is a party, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price,

as an independent financial adviser or the Auditor shall at the request of the Board certify in writing to the Directors (other than any such adjustments made on a capitalisation issue), either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give a Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was previously entitled prior to the adjustment. Any such adjustments shall be in compliance with the Listing Rules, including the note to Rule 17.03(13) of the Listing Rules, and such applicable codes, guidance notes and interpretation of the Listing Rules from time to time promulgated. The capacity of the independent financial adviser or the Auditor in this paragraph 18 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

19. Grant of Options and Allotment of Shares pursuant to the Exercise of Options subject to Shareholders' Approval

The grant of Options and the allotment of Shares pursuant to any exercise of Options shall be subject to the Shareholders in a general meeting having been obtained and not having been revoked, authorising the Directors to exercise powers to allot Shares or to make or grant offers or agreements or options that would or might require Shares to be allotted and/or rights or options to be granted.

20. Disputes

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

21. Alteration of this Scheme

21.1 The provisions of this Scheme may be altered in any respect by resolution of the Board at its absolute discretion except that any alterations to the provisions of this Scheme as to:-

- (a) the definitions of "Grantee", "Option Period" and "Eligible Participant" in sub-paragraph 1.1;
- (b) the provisions of paragraphs and sub-paragraphs 5.1, 6.1, 6.2, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 22, 23, 24 and this paragraph 21;
- (c) the terms and conditions of this Scheme which are of a material nature; and
- (d) all such other matters set out in Rule 17.03 of the Listing Rules

to the advantage of the Grantees or prospective Grantees must be approved by the Shareholders in general meeting with the Eligible Participants and their associates abstaining from voting, 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 affected Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

21.2 Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or 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). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.

- 21.3 Any change to the authority of the Directors or scheme administrators of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in general meeting.
- 21.4 The amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

22. Cancellation of the Options Granted

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an Offer of the grant of new Options to the same Eligible Participant, the Offer of the grant of such new Options may only be made under this Scheme with available Scheme Mandate Limit approved by the Shareholders as mentioned in paragraph 16. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

23. Termination of this Scheme

The Company by resolution in general meeting or the Board 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 full force and effect to the extent necessary to (i) give effect to the exercise of any Options granted prior thereto; or (ii) issue the Shares which are not yet issued and/or (as the case may be) to transfer the Treasury Shares which are not yet transferred to the Eligible Participants in accordance with the provisions of this Scheme. Any outstanding Options granted under this Scheme prior to such termination shall continue to be valid and exercisable in accordance with the provisions of this Scheme and their terms of issue. Details of the Options granted (including Options exercised or outstanding) and (if applicable) Options that become void or unexercisable as a result of such termination are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme or share award scheme that involve(s) the issuance of new Shares to be established or refreshment of scheme mandate limit under any existing share option scheme or share award scheme that involve(s) the issuance of new Shares after such termination.

24. Clawback Mechanism

Upon the occurrence of any of the following events in relation to a Grantee (and whether an event is to be regarded as having occurred for the purpose of this paragraph 24 is subject to the sole determination of the Board), the Board may, at its sole discretion, propose that no further Options shall be granted to such Grantee and/or to claw back such Options granted to such Grantee and such Options shall lapse automatically:

- (a) the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance or has breached any non-competition or non-disclosure agreement entered into with any member of the Group;
- (b) the Grantee has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the articles of association or constitutional documents of any member of the Group;
- (c) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of any member of the Group;
- (d) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission or has been convicted of any criminal offence; or
- (e) the Grantee has failed to discharge, or failed to discharge properly his/her duties, or fail to comply with the internal policy of any member of the Group and/or his/her employment agreement with the Company or any member of the Group and which, in the sole opinion of the Board, resulted in serious loss in asset to any member of the Group and/or other serious and adverse consequence to any member of the Group.

25. Miscellaneous

- 25.1 This Scheme shall not form part of any contract of employment or directorship, service contract or engagement contract between the relevant member(s) of the Group and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of such Eligible Participant's employment, directorship or office or appointment shall not be affected by such Eligible Participant's participation in this Scheme or any right which such Eligible Participant may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such employment, directorship or office or appointment for any reason.

- 25.2 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.
- 25.3 The Company shall bear the costs of establishing and administering this Scheme.
- 25.4 Any notice or other communication between the Company and a Grantee may be given, in the case of the Company, by sending the same by prepaid post or by personal delivery to its registered office at Suite 3206, 32nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong or address in Hong Kong or such other address as notified to the Grantees from time to time and, in the case of the Grantee, (i) by sending the same by prepaid post or by personal delivery to his correspondence address in Hong Kong or such other address as notified to the Company from time to time or (ii) to the extent permitted by and in accordance with the Listing Rules and any other applicable laws, by electronic communication including by transmitting the same to any electronic number, address or website as notified to the Company from time to time or by placing the same on the Company's website and/or the website of the Stock Exchange.
- 25.5 Any notice or other communication served by post:-
- (a) by the Company shall be deemed to have been served 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.
- 25.6 Any notice or other communication served by personal delivery shall be deemed to have been served on the date of delivery.
- 25.7 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 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.

- 25.8 All allotments and issue of Shares and/or (as the case may be) transfer of Treasury Shares shall be subject to any necessary consents under any relevant enactment or regulations in force from time to time in Hong Kong or elsewhere, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval 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 approval or for any tax or other liability to which a Grantee may become subject as a result of his participation in this 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 15.
- 25.9 The Grantee shall pay all tax and discharge other liabilities to which the Grantee may become subject as a result of the Grantee's participation in this Scheme or the exercise of any Option.
- 25.10 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.