

HKC INTERNATIONAL HOLDINGS LIMITED

香港通訊國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 248)

SHARE OPTION SCHEME

** For identification purpose only*

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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 the date upon which the Share Option Scheme becomes unconditional upon fulfilment of all the conditions set out in the paragraph 3;

AGM” means the annual general meeting of the Company to be convened and held at 14/F., Block B, Vita Tower, 29 Wong Chuk Hang Road, Hong Kong on Friday, 26 August 2022;

“Board” means the board of Directors;

“Business Day” means a day on which the Stock Exchange is open for the business of dealing in securities;

“Company” means HKC International Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;

“Director(s)” means director(s) of the Company;

“Eligible Participants” means any full-time or part-time employees (including any directors, whether executive or non-executive and whether independent or not) of the Group;

“Grantee(s)” means any Eligible Participant(s) who accept(s) the Offer in accordance with the terms of the Share Option Scheme or (where the context so permits and as referred to paragraph 6.4(a)) his/her Personal Representative(s);

“Group” means the Company and its subsidiaries;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Latest Practicable Date” means 22 July 2022, being the latest practicable date for ascertaining certain information herein;

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange;

“Offer” means an offer for the grant of an Option made in accordance with the Share Option Scheme;

“Offer Date” means the date on which the Board resolves to make an Offer of an Option to an Eligible Participant, which date must be a Business Day;

“Option(s)” means option(s) to subscribe for Shares granted pursuant to the Share Option Scheme;

“Personal Representative(s)” means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);

“Share(s)” means ordinary share(s) of HK\$0.01 each in the share capital of the Company;

“Shareholder(s)” means holder(s) of Share(s);

“Share Option Scheme” or **“Scheme”** means the share option scheme proposed to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM, the rules of which are set out in this document in its present or any amended form;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong; and

“%” means per cent.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;

- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and
- (f) a reference to a "person" shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. PURPOSE, DURATION AND ADMINISTRATION

2.1 The purpose of the Share Option Scheme is to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group, in particular:

- (a) to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (b) to attract and retain the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2.2 The Board may, at its discretion, invite any person belonging to the following class of the Eligible Participants to take up Options to subscribe for Shares:

any full-time or part-time employees (including any directors, whether executive or non-executive and whether independent or not) of the Group.

2.3 The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Options under the Share Option Scheme, and the number of Shares and subscription price of the Option, subject to paragraph 5; (c) subject to paragraphs 9 and 13, make such adjustments to the terms of the Options granted under the Share Option Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the Share Option Scheme

provided that the same are not inconsistent with the provisions of the Share Option Scheme and the Listing Rules. Without prejudice to the generality of the foregoing, the Board may delegate the administration of the exercise and delivery of Shares upon the exercise of Options to third party professional service providers as it may think fit.

2.4 The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period, no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.

2.5 Grantee shall ensure that the acceptance of the Offer, the holding and exercise of the Option in accordance with the Share Option Scheme, the allotment and issue of Shares to him/her upon the exercise of the Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require an Eligible Participant or a Grantee (as the case may be) to produce such evidence as they may reasonably require for such purpose.

3. CONDITIONS

The Share Option Scheme is conditional on (i) the passing of an ordinary resolution to approve the adoption of the Share Option Scheme by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Share Options which may be granted under the Share Option Scheme.

4. GRANT OF OPTIONS

4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any Eligible Participant to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option, as determined in accordance with paragraph 5 (the "Exercise Price"), as the Directors shall, subject to paragraph 4 and at their discretion, determine.

- 4.2 Without prejudice to paragraph 8.4 below, the making of an Offer to any Director or chief executive of the Company must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of an Option).
- 4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.
- 4.4 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares under the Option and the "Option Period" (which means, in respect of any particular Option, a period to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of paragraph 7; and (ii) the expiry date of ten (10) years from the Offer Date) in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.
- 4.5 An Offer shall state, in addition to the matters specified in paragraph 4.4, the following:
- (a) the name, address and occupation of the Eligible Participant;
 - (b) the number of Shares under the Option in respect of which the Offer is made and the Exercise Price for such Shares;
 - (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares under the Option comprised

in the Offer;

- (d) the last date by which the Offer must be accepted (which must not be later than 21 days from the Offer Date);
 - (e) the procedure for acceptance;
 - (f) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
 - (g) such other terms and conditions of the Offer as may be imposed by the Directors which in their opinion are fair and reasonable and not inconsistent with the Share Option Scheme; and
 - (h) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme including, without limitation, the conditions specified in, inter alia, paragraphs 4.4 and 6.1.
- 4.6 An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.7 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Option which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 4.6 or 4.7, an Option in respect of the number of Shares of which the

Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraphs 4.6 or 4.7, it will be deemed to have been irrevocably declined.

4.9 The Option Period of an Option must not be more than ten (10) years after the Offer Date.

4.10 Options will not be listed or dealt in on the Stock Exchange.

4.11 For so long as the Shares are listed on the Stock Exchange:

(a) an Offer may not be made after inside information has come to the knowledge of the Board until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:

- i. the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules); and
- ii. the deadline for the Company to announce its results for any year or half-year, quarter or any other interim period (whether or not required under the Listing Rules)

and ending on the actual date of publication of the results announcement, and where an option is granted to a Director:

(b) no Options shall be granted 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

(c) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

5. EXERCISE PRICE

The Exercise Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it must be at

least the highest of:

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

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

6. EXERCISE OF OPTIONS

- 6.1 An Option must be personal to the Grantee and must not be transferable or assignable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever 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 a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.
- 6.2 Unless otherwise determined by the Directors and stated in the Offer to a Grantee, a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him/her.
- 6.3 Subject to, inter alia, paragraph 4.4 and the fulfilment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6.4 and 6.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 6.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly

allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 6.4 (a), to the estate of the Grantee) fully paid and issue to the Grantee (or his/her estate in the event of an exercise by his/her Personal Representative as aforesaid) the relevant share certificate(s) in respect of the Shares so allotted and issued.

6.4 Subject as hereinafter provided in the Share Option Scheme, an Option may only be exercised by the Grantee at any time during the Option Period provided that:

- (a) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively;
- (b) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee for any reason other than (1) his/her death, ill- health or retirement in accordance with his/her contract of employment or (2) the termination of his/her employment on one or more of the grounds specified in paragraph 7.1(d) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not;
- (c) if a general or partial offer, whether by way of takeover offer, share re- purchase offer, or scheme of arrangement or otherwise in like manner is made to all the

Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such 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 or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;

- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his/her Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his/her Option not less than one (1) day before the date on which such resolution is to be considered and/or passed whereupon he/she shall accordingly be entitled, in respect of the Shares allotted and issued to him/her in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (e) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees of the Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the

Company no later than two (2) Business Days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in the notice and 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 meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

6.5 Shares to be allotted and issued upon the exercise of an Option will be subject to the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in all dividends or distributions paid or made on or after the name of the Grantee is registered on the register of members of the Company, 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 when the name of the Grantee is registered on the register of members of the Company. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

7. EARLY TERMINATION OF OPTION PERIOD

7.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- (a) the expiry of the Option Period as may be determined by the Directors;
- (b) the expiry of any of the periods referred to in paragraph 6.4;
- (c) the date of commencement of the winding-up of the Company;
- (d) in respect of a Grantee who is an employee of the Group when an Offer is made to him/her, the date on which the Grantee ceases to be an employee of the Group by

reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute); and

(e) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 6.1 by the Grantee in respect of that or any other Option.

7.2 A resolution of the Directors or written communication on behalf of the Board to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in paragraph 7.1(d) has occurred shall be conclusive and binding on all persons who may be affected thereby.

7.3 Transfer of employment of a Grantee who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.1 The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Company shall not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the Share Option Scheme or any other share option scheme adopted by the Company if this will result in such limit being exceeded.

8.2 The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company) to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of Shares in issue (i.e. 124,533,125 Shares, assuming no further issue or repurchase of Shares from the Latest Practicable Date) on the date of approval of the Shareholders for the adoption of the

Share Option Scheme (the “Scheme Limit”) provided that:

- (a) subject to paragraph 8.1 and without prejudice to paragraph 8.2(b), the Company may seek approval of the Shareholders in general meeting to renew the Scheme Limit at any time up to 10% of the Shares in issue (the “New Scheme Limit”) as at the date of approval of the New Scheme Limit. For the purpose of calculating the New Scheme Limit, options previously granted under the Share Option Scheme and any other share option scheme of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Company) will not be counted; and
 - (b) subject to paragraph 8.1 and without prejudice to paragraph 8.2(a), the Company may seek separate shareholders’ approval in general meeting to grant Options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 8.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 8.3 Subject to paragraph 8.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the Options granted under any other share option scheme of the Company (including both exercised or outstanding Options) to each Grantee in any 12-month period shall not exceed 1% of the total number of Shares in issue. Where any further grant of Options to a Grantee would result in the Shares issued and to be issued upon exercise of all Options granted and proposed to be granted to such person (including exercised, cancelled and outstanding Options) under the Share Option Scheme and any other share option scheme of the Company in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his/her close associates (or his associates if the Grantee is a connected person) abstaining from voting. The number and terms (including the Exercise Price) of Options to be granted to such Grantee must be fixed before the Shareholders’ approval.
- 8.4 Without prejudice to paragraph 4.2 and 4.3, each grant of Options to a director or chief executive of the Company must be approved by independent non-executive Directors (excluding independent non-executive Director who is the proposed Grantee of an Option). Where any grant of Options to an independent non-executive Director would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange at the Offer Date of each Offer, in excess of HK\$5 million;

such further grant of Options shall be subject to the issue of a circular by the Company and the approval by the Shareholders in general meeting on a poll at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

8.5 The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (a) the details of the number and terms (including the subscription price) of the Options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such Options;
- (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting;
- (c) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

9. ADJUSTMENTS TO THE EXERCISE PRICE

9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, reduction of the share capital of the Company or any other capitalisation issue, then, in any such case the Company shall request the auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Exercise Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option,

and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he/she exercised all the Options held by him/her immediately prior to such adjustment;
- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of any adjustment referred to in this paragraph 9.1, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.

9.3 In giving any certificate under this paragraph 9, the auditors or the independent financial adviser appointed under paragraph 9.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

10. CANCELLATION OF OPTIONS GRANTED

10.1 Subject to paragraph 6.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.

10.2 Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the Scheme Limit or the limits approved by the Shareholders pursuant to paragraph 8.2(a) or 8.2(b).

11. SUFFICIENT SHARE CAPITAL

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

12. DISPUTES

Any dispute arising in connection with the Share Option 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 the auditors or the financial adviser (as the case may be) who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

13. ALTERATION OF THE SHARE OPTION SCHEME

13.1 Subject to paragraphs 13.2 and 13.4, the Share Option Scheme may be altered in any respect by a resolution of the Directors except that:

(a) the provisions of the Share Option Scheme as to the definitions of “Eligible

Participant(s)", "Grantee", "Option Period" and "Termination Date"; and

- (b) the provisions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of Association for a variation of the rights attached to the Shares.

13.2 Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted shall be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

13.3 Any change to the authority of the Directors or the administrators of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

13.4 The amended terms of the Share Option Scheme and/or any Options pursuant to this paragraph 13 must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

14. TERMINATION

The Company by resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered, but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme, and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme must be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established after such termination.

15. GOVERNING LAW

- 15.1 All allotments and issues of Shares pursuant to the Share Option Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in the Share Option Scheme.
- 15.2 The Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 15.3 The Board shall procure that details of the Share Option Scheme are disclosed in the Company's annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.