

**Feiyu Technology International Company Ltd.**

**飛魚科技國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Adopted by a resolution of the shareholders at the extraordinary general meeting  
of the Company held on [24 May 2024])

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**SHARE OPTION SCHEME**

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# Feiyu Technology International Company Ltd.

## 飛魚科技國際有限公司

*(Incorporated in the Cayman Islands with limited liability)*

### **SHARE OPTION SCHEME**

#### **1. DEFINITIONS**

1.01 In this Scheme, save where the context otherwise requires, the following expressions have the following meanings:-

“Acceptance Period”	shall have the meaning ascribed thereto under <b>Clause 5.02</b> ;
“Adoption Date”	means [24 May 2024] (the date on which this Scheme is conditionally adopted by an ordinary resolution of the Shareholders);
“Allotment Date”	means in respect of any particular Grantee and a particular exercise by such Grantee of the Option granted to such Grantee, the date on which Shares are allotted to the Grantee or his personal representative(s) (as the case may be) pursuant to the Option granted and exercised hereunder;
“associates”	shall have the meaning ascribed thereto under the Listing Rules;
“Auditors”	means the auditors of the Company for the time being;
“Board”	means the board of Directors from time to time, which for the purposes of this Scheme shall include any committee of the board of directors duly constituted from time to time to administer this Scheme and to which the functions and responsibilities of the board of Directors under this Scheme have been delegated;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning ascribed thereto under the Listing Rules;
“close associates”	shall have the meaning ascribed thereto under the Listing Rules;

<b>“Company”</b>	means Feiyu Technology International Company Ltd. (飛魚科技國際有限公司), a company incorporated in the Cayman Islands with limited liability;
<b>“Companies Law”</b>	means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect;
<b>“connected person”</b>	shall have the meaning ascribed thereto under the Listing Rules;
<b>“core connected person”</b>	shall have the meaning ascribed thereto under the Listing Rules;
<b>“Director(s)”</b>	means the director(s) of the Company;
<b>“Eligible Participant(s)”</b>	means: <ul style="list-style-type: none"> <li>(a) the Employee Participants;</li> <li>(b) the Related Entity Participants; and</li> <li>(c) the Service Providers;</li> </ul>
<b>“Employee Participant(s)”</b>	means directors (including the independent non-executive Directors) and employees (whether full time or part time) of the Company or the Group (including persons who are granted Options as an inducement to enter into employment contracts with the Company or any of its Subsidiaries);
<b>“Grantee”</b>	means any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled, in accordance with the laws of succession applicable, to exercise any Option to the extent not already exercised in consequence of the death of an original Grantee;
<b>“Group”</b>	means the Company and the Subsidiaries;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of the time being of Hong Kong;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Listing Committee”</b>	shall have the meaning ascribed thereto under the Listing Rules;

<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
<b>“Main Board”</b>	means the stock market operated by the Stock Exchange, which excludes GEM and the options market;
<b>“Offer”</b>	means an offer for the grant of an Option made in accordance with <b>Clause 5</b> ;
<b>“Offer Date”</b>	means the date of the Offer Document, which date must be a Business Day, on which an Offer is made to an Eligible Participant;
<b>“Offer Document”</b>	means a document setting out the terms of the Offer given by the Company to the Eligible Participant pursuant to <b>Clause 5.02</b> ;
<b>“Option”</b>	means an option to subscribe for Shares granted pursuant to this Scheme;
<b>“Option Period”</b>	means in respect of any particular Option, such period to be notified by the Board to each Grantee in the Offer Document during which the Grantee may exercise such Option subject to the terms of the grant (including but not limited to the vesting period set out in <b>Clauses 7.04 and 7.05</b> ), the expiry date of such period not to exceed ten (10) years from the Offer Date;
<b>“personal representative(s)”</b>	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
<b>“Refreshed Scheme Mandate Limit”</b>	shall have the meaning ascribed thereto under <b>Clause 9.01(d)</b> ;
<b>“Refreshed Service Provider Sublimit”</b>	shall have the meaning ascribed thereto under <b>Clause 9.01(d)</b> ;
<b>“Related Entity(ies)”</b>	means the holding companies, fellow subsidiaries or associated companies of the Company;
<b>“Related Entity Participant(s)”</b>	means any director and employee of a Related Entity;
<b>“Remuneration Committee”</b>	means the remuneration committee of the Company;

<b>“Scheme”</b>	means this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
<b>“Scheme Mandate Limit”</b>	shall have the meaning ascribed thereto under <b>Clause 9.01(a)</b> ;
<b>“Service Providers”</b>	individuals or entities that provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business, with the aim of promoting the long-term growth of the Group, including contractors, consultants, agents, advisers and suppliers who, in the sole opinion of the Board, have contributed or will contribute to the Group, but excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
<b>“Service Provider Sublimit”</b>	shall have the meaning ascribed thereto under <b>Clause 9.01(b)</b> ;
<b>“Share Registrar”</b>	means the Hong Kong branch share registrar of the Company from time to time;
<b>“Shares”</b>	means the ordinary shares of US\$0.0000001 each in the share capital of the Company and unless the context otherwise requires, references to “Shares” include references to shares in the share capital of the Company of such other nominal amount as shall result from a sub-division or a consolidation, reclassification or reconstruction of the share capital of the Company from time to time forming part of the ordinary equity share capital of the Company and “Share” means each and any one of such Shares;
<b>“Shareholder(s)”</b>	means holder(s) of the Shares from time to time;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subscription Price”</b>	means the price per Share multiplied by the relevant number of Shares in respect of which a Grantee may subscribe on the exercise of an Option as described in <b>Clause 6</b> , subject to adjustment as mentioned in <b>Clause 10</b> ;
<b>Subsidiary(ies)”</b>	shall have the meaning ascribed thereto under the Listing Rules;
<b>“substantial shareholder”</b>	shall have the meaning ascribed thereto under the Listing Rules; and

“US\$”

means the United States dollars, the lawful currency of the time being of the United States of America.

1.02 In this Scheme, save where the context otherwise requires:-

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to Clauses are references to clauses of this Scheme;
- (c) 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;
- (d) references to the Listing Rules shall be construed as references to the Listing Rules as amended or modified or supplemented by other provisions, guidance notes, practice notes and/or announcements issued by the Stock Exchange from time to time;
- (e) expressions in the singular shall include the plural and vice versa;
- (f) expressions in any gender shall include other genders; and
- (g) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

## **2. PURPOSE AND PARTICIPANTS OF THE SCHEME**

2.01 The purpose of this Scheme is to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group, and to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contributions to the Group with the view to achieving the principal objectives of (a) recruiting and retaining high-calibre personnel and key staff members that are valuable to the Group and whose contributions are important to the long-term growth and profitability of the Group; and (b) motivate the Eligible Participants whose contributions are, will or are expected to be beneficial to the Group.

2.02 In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group’s business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider);

and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

- 2.03 In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in this Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.
- 2.04 In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate in this Scheme include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- 2.05 In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in this Scheme include: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (h) the possibility of developing a long term business relationship with such Service Provider; and (i) the positive impact brought to the Group's business development by the Service Provider.

(a) Contractors, consultants, agents and advisors



Service Providers under this category include contractors, consultants, agents and advisers who provide advisory services, consultancy services and agency services to the Group on a continuing or recurring basis in its ordinary and usual course of business which relate to the Group's principal business activities of the operation and development of web games, mobile games, PC games, Console games, HTML5 games and other types of games and in support of the Group's businesses, or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge to the benefit and development of the Group's businesses. For instance, game design consultants possess creative thinking skills and have good understanding of the gaming market. They are familiar with game design principles and are able to conduct data analysis to understand user demand and behavior. Game graphic consultants have good art skills and professional skills in modeling and animation. Game technical consultants are familiar with game engine frameworks, programming languages and development tools, and are able to resolve programming issues and improve game performance. Game distributors assist the Group in marketing and promotion activities with their capabilities in producing promotional marketing materials and their bargaining power in distribution channels. These are certain key examples of the specialised skills and knowledge of the Service Providers that are conducive to the development of the Group's businesses. The Board will take into account, amongst others: (i) the individual performance of the relevant contractor, consultant, agent and/or adviser; (ii) their knowledge, experience, and network in the relevant industry; (iii) the frequency of collaboration within each contract term and length of their business relationship with the Group; (iv) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (v) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (vi) the background, credentials and experiences of the relevant contractor, consultant, agent and/or adviser; (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, consultant, agent and/or adviser could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, consultant, agent and/or adviser; and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, consultant, agent and/or adviser, and/or the synergy between the relevant contractor, consultant, agent and/or adviser and the Group.

(b) Suppliers

Service Providers under this category include suppliers of technical support and game development services, game distribution and game promotion services, who/which support the Group's principal business activities in the industry of web games, mobile games, PC

games, Console games, HTML5 games and related ancillary services on a continuing or recurring basis in its ordinary and usual course of business.

The Board will take into account, amongst others, (i) the nature, reliability and quality of the services supplied in relation to the Group's businesses; (ii) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (iii) the frequency of collaboration within each contract term and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (vi) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

### **3. CONDITIONS**

3.01 This Scheme shall take effect subject to the fulfilment of the conditions set out as follows:-

- (a) the passing of the necessary resolution by the Shareholders to approve and adopt this Scheme with this Scheme Mandate Limit, and to authorise the Board to grant the Options hereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under this Scheme; and
- (b) the Listing Committee granting approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under this Scheme.

#### 4. DURATION AND ADMINISTRATION

- 4.01 Subject to **Clause 3.01** and **Clause 14**, this Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period no further Options will be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects with respect to Options granted during the life of this Scheme.
- 4.02 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all persons who may be affected thereby. The Board shall, subject to the Listing Rules, have the right:
- (a) to interpret and construe the provisions of this Scheme,
  - (b) to determine the persons who will be granted Options under this Scheme, the number of Shares granted thereto and the Subscription Price,
  - (c) determine the Option Period, the vesting period and other relevant terms and conditions of each Option;
  - (d) subject to **Clause 13**, make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary;
  - (e) subject to **Clause 13**, adopt the rules and regulations for carrying out this Scheme;
  - (f) prescribe the form or forms of instruments to be issued as evidence of any Options granted under this Scheme;
  - (g) appoint one or more independent third party professionals and contractors to assist in the administration of this Scheme as the Board deems appropriate; and
  - (h) to make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme in accordance with the Listing Rules.

Without prejudice to the above, the administration of the Scheme may be carried out by such person(s) authorised by the Board from time to time.

- 4.03 The Company shall indemnify and hold harmless each officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated to the fullest extent permitted by the articles of association of the Company.
- 4.04 A grantee shall ensure that the acceptance of an Offer, the holding and exercise of his Option are in accordance with this Scheme, the issue of Shares to him upon the exercise of his 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 is subject. The Board may, as a condition precedent of issuing Shares upon an exercise of an Option, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.

## 5. OFFER AND GRANT OF OPTIONS

- 5.01 On and subject to the terms of this Scheme and only when in compliance with the Listing Rules applicable from time to time, the Board shall be entitled but shall not be bound at any time and from time to time within ten (10) years from the Adoption Date to make an Offer to any Eligible Participant as the Board may at its absolute discretion select to take up Options to subscribe for such number of Shares, being a board lot for dealing in Shares on the Main Board or an integral multiple thereof, as the Board may determine, at the Subscription Price. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (including, without limitation, any minimum period for which an Option must be held before it can be exercised, any performance targets which must be achieved before an Option can be exercised, and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Options granted) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances) as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of this Scheme.
- 5.01A Subject to the rules of this Scheme, the Listing Rules and any applicable laws and regulations, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall have the power from time to time to establish and administer performance targets (if any) that must be fulfilled by a Grantee before any of the Options may be vested to such Grantees under such grant of Options. Such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Grantee. The finance department of the Company shall be responsible for compiling a performance appraisal report on statistics relating Group-level performance targets and the human resources department shall be responsible for compiling a performance appraisal report based on the Group's performance appraisal results and the individual performance appraisal results, which will be submitted to the Board or such committee of the Board or person(s) delegated with its authority, for consideration and approval.
- 5.02 An Offer shall be made to an Eligible Participant by letter (the "**Offer Document**") in such form as the Board may from time to time determine specifying the number of Shares and the Option Period in respect of which the Offer is made 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 concerned for such period as determined by the Board (the “**Acceptance Period**”), which period shall not be more than fourteen (14) days from the Offer Date, provided that no such Offer shall be open for acceptance after the tenth (10th) anniversary of the Adoption Date or after this Scheme has been terminated in accordance with the provisions hereof.

- 5.03 An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted when the duplicate letter 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/ payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. Such remittance/ payment shall in no circumstances be refundable or be deemed to be a part payment of the Subscription Price. Such Offer Date shall be deemed to be the date of grant of the relevant Option for all purposes of this Scheme except that in determining the date of grant for the purpose of calculating the Subscription Price under **Clause 6** where **Clause 5.07, 9.01(e)** or **9.02** applies, the date of the Board meeting for proposing the grant or further grant of Options as referred to in **Clause 5.07, 9.01(e)** or **9.02** (as the case may be) should be adopted as the date of grant rather than the relevant Offer Date for the sole purpose of calculating the Subscription Price under **Clause 6**.
- 5.04 Any Offer may be accepted by an Eligible Participant concerned for less than the number of Shares for which it is offered to such Eligible Participant provided that such Offer is accepted in respect of a board lot for dealing in Shares on the Main Board or an integral multiple thereof and such number shall be clearly stated in the duplicate letter comprising acceptance of the Offer. To the extent that the Offer is not accepted within the Acceptance Period in the manner indicated in **Clause 5.03**, it shall be deemed to have been irrevocably declined and shall lapse automatically.
- 5.05 Any Offer must not be made after inside information (having the meaning as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the Company’s knowledge until (and including) the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules and, in particular, no Eligible Participant shall be granted an Option during the period commencing one (1) month immediately before the earlier of: -
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s result for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to publish an announcement of results for (i) any year or half-year period in accordance with the Listing Rules, and (ii) where the Company has elected to publish them, whether or not required under the Listing Rules, results for any quarterly or any other interim period

and ending on the date of announcements for such results (or during any period of delay in publishing a results announcements).

- 5.06 Any grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee).
- 5.07 Where Options are proposed to be granted to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, and the proposed grant of Options would result in the total number of Shares issued and to be issued in respect of all Options granted under this Scheme and all options and awards granted under any other share schemes of the Company (excluding any Options and awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue on the Offer Date, such further grant of Options must be approved by the Shareholders in general meeting. In addition, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except that any such person may vote against the proposed grant provided that his/her intention to do so has been stated in the relevant circular to the Shareholders). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. A circular to the Shareholders must be prepared and sent by the Company containing the details set out in Rule 17.04(5). 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 the Shareholders in the manner set out in this **Clause 5.07** if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).
- 5.08 The Directors may not make any Offer to an Eligible Participant who would be prohibited from dealing in Shares by the Listing Rules, including the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.
- 5.09 Options will not be listed or dealt in on the Stock Exchange.

## 6. SUBSCRIPTION PRICE

- 6.01 The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to **Clause 10**, be a price determined by the Board in its sole discretion and notified by the Board to each Grantee and shall be at least the highest of:-
- (a) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date or, where **Clause 5.07, 9.01(e) or 9.02** applies, on the date of the Board meeting referred to therein which is taken to be the date of grant for the purpose of calculating the Subscription Price;
  - (b) the average closing price per Share as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date or, where **Clause 5.07, 9.01(e) or 9.02** applies, preceding the date of the Board meeting referred to therein which is taken to be the date of grant for the purpose of calculating the Subscription Price; or
  - (c) the nominal value of a Share.

## 7. EXERCISE AND CANCELLATION OF OPTIONS

- 7.01 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or equitable) in favour of any third party over or in relation to any Option or attempt to do so, unless a waiver is granted by the Stock Exchange. Any breach of this **Clause 7.01** by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.
- 7.02 Subject to **Clauses 7.03, 7.04 and 7.05**, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one Board Lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee 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 30 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the approved independent financial adviser as the case may be pursuant to **Clause 10**, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.
- 7.03 The manner in which the Grantees is entitled to exercise their Option shall be set out in the respective Grantee's Offer Document.

- 7.04 The exercise of any Option shall be subject to the approval of shareholders of the Company in general meeting of any necessary increase in the authorised share capital of the Company.
- 7.05 Unless otherwise provided in the respective Grantee's Offer Document, subject as hereinafter provided and only to the extent to which the Option is exercisable pursuant to **Clause 7.03** hereof but is not exercised, an Option may be exercised by a Grantee at any time or times during the Option Period provided that
- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in **Clause 8(e)**, the Grantee may exercise the Option in accordance with the provisions of **Clause 7.02** up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not), provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant or the personal representative(s) of such Grantee any right to exercise the Option within 12 months from the respective date of grant;
  - (a) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under **Clause 8(e)** has occurred, the Grantee or the personal representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised), provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant or the personal representative(s) of such Grantee any right to exercise the Option within 12 months from the respective date of grant;
  - (b) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the Options granted to them as shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements,



becomes, or is declared unconditional, the Grantee (or in the case of death of the Grantee, his legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional, provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Option within 12 months from the respective date of grant;

- (c) if a compromise or arrangement between the Company and its shareholders and/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 pursuant to the Companies Law, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. , provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Option within 12 months from the respective date of grant. 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. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and
- (d) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all

Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with **Clause 7.02**, accompanied by a remittance 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 and issue the relevant Shares to the Grantee credited as fully paid, provided that nothing in this sub-paragraph shall confer upon a Grantee not being an Employee Participant any right to exercise his Options within 12 months from the respective date of grant..

- 7.06 Save in the circumstances prescribed in **Clause 7.07** below, an Option must be held by the Grantee for not less than twelve (12) months before the Option can be exercised.
- 7.07 The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:
- (a) grants of “make-whole” Options to new joiners to replace the awards or options they forfeited when leaving the previous employer;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
  - (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
  - (d) grants 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 but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
  - (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
  - (f) grants of Options with a total vesting and holding period of more than 12 months.
- 7.08 For the avoidance of doubt, in addition to the events set out in **Clause 7.07**, a shorter vesting period may be applicable to the Employee Participants in the following circumstances as further set out in **Clauses 7.05(b) to (e)** below:

- (a) the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under **Clause 8(e)** has occurred;
  - (b) a general offer as set out in **Clause 7.05(c)** becomes, or is declared unconditional;
  - (c) a compromise or arrangement between the Company and its shareholders and/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 pursuant to the Companies Law; and
  - (d) a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company.
- 7.09 The Share(s) to be issued and allotted 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 on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date.
- 7.10 The Options shall not carry any voting, dividend, transfer or other rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder of a Share issued upon the exercise of an Option.
- 7.11 Any Option granted but not exercised may be cancelled in whole or in part and at any time:
- (a) if agreed between the Company and the relevant Grantee; or
  - (b) if the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or
  - (c) if the Company pays or procures to be paid to the Grantee an amount equal to the cash value of the Options being cancelled as at the date of cancellation as determined by the Board by reference to the difference between the closing price of a Share as stated on the Stock Exchange’s daily quotations sheet on the date of cancellation and the Subscription Price.

7.12 Where the Company cancels the Options and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit or Refreshed Scheme Mandate Limit (or, where the Grantee is a Service Provider, the Service Provider Sublimit or the Refreshed Service Provider Sublimit) as referred to in **Clause 9.01** below. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) (and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be)).

## **8. LAPSE OF OPTION**

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:-

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in **Clauses 7.05(a), (b), (c), (d), or (e)**;
- (c) the date on which the scheme of arrangement of the Company referred to in **Clause 7.05(d)** becomes effective;
- (d) the date of commencement of the winding up of the Company in respect of the situation contemplated in **Clause 7.05(e)** (as determined in accordance with the Companies Law);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
- (f) the date that is thirty (30) days after the date on which the Grantee is terminated by the Company and/or any of its Subsidiaries on a ground other than those set forth in **Clause 8(e)**; or
- (g) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of **Clause 7.01** or the Options are cancelled in accordance with **Clause 7**.

## 9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.01 (a) The total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company must not, in aggregate, exceed 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless shareholders’ approval has been obtained pursuant to **paragraphs (c) and (d) or paragraph (e)** below. Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to foregoing **Clause 9.01(a)**, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers must not, in aggregate, exceed 1% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”) unless shareholders’ approval has been obtained pursuant to **paragraphs (c) and (d) or paragraph (e)** below. Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Service Provider Sublimit.
- (c) The Company may seek approval by the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit and/or the Service Provider Sublimit after three (3) years from date of shareholders’ approval for the last refreshment (or the Adoption Date). Any “refreshment” within any three (3) year period must be approved by the Shareholders subject to the following provisions:
- (i) any controlling Shareholders and their associates (or if there is no controlling shareholder of the Company, 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
  - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under **sub-paragraphs (i) and (ii)** of this **paragraph (c)** do not apply if the refreshment is made immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of each of the Scheme Mandate Limit and

the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (d) The total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit as “refreshed” must not, in aggregate, exceed 10% and 1% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”) and the refreshed Service Provider Sublimit (the “**Refreshed Service Provider Sublimit**”) respectively. For the purposes of seeking approval of the Shareholders under this **sub-paragraph 9.01(d)**, the Company must send a circular to the Shareholders containing the information required under the Listing Rules. Options previously granted under this Scheme and any other share schemes of the Company (including those outstanding, cancelled, lapsed in accordance with this Scheme or any other share schemes of the Company and exercised Options) will not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit and the Refreshed Service Provider Sublimit. Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be regarded as utilised for the purpose of calculating the Refreshed Scheme Mandate Limit and the Refreshed Service Provider Sublimit.
- (e) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) provided that the Options in excess of the Scheme Mandate Limit, the Refreshed Scheme Mandate Limit, the Service Provider Sublimit or the Refreshed Service Provider Sublimit (as the case may be) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph **sub-paragraph 9.01(e)**, the Company must send a circular to its shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such 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. The number and terms of Options to be granted to such Eligible Participant must be fixed before shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**.
- (f) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may

be) 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 share schemes of the Company under the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) or the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be) 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.

- 9.02 Where any grant of Options to an Eligible Participant would result in the total number of Shares issued and to be issued in respect of all Options granted under this Scheme and all options and awards granted under any other share schemes of the Company to such Eligible Participant (excluding any options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1 % of the total number of Shares in issue as at the date of such grant (the “**1% Individual Limit**”), such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Eligible Participant must be fixed before shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price under **Clause 6**.

## **10. REORGANISATION OF CAPITAL STRUCTURE**

- 10.01 In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), the Company shall instruct the Auditors or 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:-

- (d) the number or nominal amount of Shares subject to the Option so far as unexercised;
- (e) the Subscription Price of any unexercised Options; and/or
- (f) the number of Shares subject to this Scheme,

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

- (i) no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value;
- (ii) such adjustments shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was entitled before such adjustments;
- (iii) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment,

and in each case, any adjustment must be made in compliance with the Listing Rules (including, without limitation, Chapter 17 thereof) and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, the Auditors or an independent financial adviser to be appointed by the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules or the relevant guidance or interpretation thereof.

The capacity of the Auditors or the independent financial adviser in this **Clause 10.01** 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 all the Grantees. The costs of the Auditors or the independent financial adviser (as the case may be) shall be borne by the Company.

- 10.02 Notice of any such alteration in the capital structure of the Company and the corresponding adjustments to be made as referred to in **Clause 10.01** shall be given to all Grantees (or their personal representatives) by the Company, which may, but need not, call in Option certificates or other evidence of entitlement to the Option, if any, for endorsement or replacement.

## **11. SHARE CAPITAL**

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

## **12. DISPUTES**

Any dispute arising in connection with the this Scheme (whether as to the number of Shares subject to Option, (where applicable) whether all or part of the Option has been vested, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser appointed by the Company, 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 the Company and



the relevant Grantee. In such case, the cost of Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

### **13. ALTERATION TO THIS SCHEME AND THE TERMS OF OPTIONS GRANTED UNDER THIS SCHEME**

13.01 Subject to the Listing Rules, all provisions of this Scheme may be altered from time to time in any respect by a resolution of the Board provided that:-

- (a) any alterations of the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting;
- (b) any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme;
- (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board in relation to any alteration to the terms of the Scheme must be approved by the Shareholders in general meeting.

Written notice of any alterations made in accordance with this **Clause 13.01** shall be given to all Grantees.

### **14. TERMINATION**

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of this Scheme and in such event no further Options shall be offered but the provisions of this Scheme shall remain in full force and effect in all other respects in respect of any Options granted prior thereto but not yet exercised or in respect of which Shares are not yet issued to the Grantees at the time of termination. Details of the Options granted (including Options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of such termination shall be disclosed in the circular to the Shareholders seeking approval of the first new scheme to be established or refreshment of scheme mandate limit under any other existing share scheme of the Company after such termination.

## 15. CLAWBACK

15.01 Notwithstanding the terms and conditions of this Scheme, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events shall occur during an Option Period:

- (a) the Grantee is involved in serious misconduct;
- (b) a material misstatement in the Company's financial statements;
- (c) any other clawback event implicitly or explicitly characterised in the Offer Document occurs,

the Board may, (but is not obliged to) by notice in writing to the Grantee concerned (i) claw back such number of Options (to the extent not being exercised) granted as the Board may consider appropriate; or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred, if applicable) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Board may consider appropriate. The Options that are clawed back pursuant to this **Clause 15** shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be).

## 16. MISCELLANEOUS

16.01 Save as otherwise provided in **Clause 12**, the Company shall bear the costs of establishing and administering this Scheme.

16.02 No person shall, under any circumstances, hold the Board and/or the Company and/or other Eligible Participants liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.

16.03 This Scheme shall not form part of any contract of employment/service between the Company or any of its Subsidiaries and any Eligible Participant who is an employee or consultant of the Company and/or any of its Subsidiaries and the rights and obligations of any Eligible Participant under the terms of his office, employment or service shall not be affected by his participation 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 office or employment for any reason.

16.04 The Grantee shall upon accepting an Offer of grant of an Option be entitled to receive upon request a copy of the Scheme and shall, until the expiry of the Option Period, be entitled to

receive upon request, for information only, copies of all notices and other documents sent by the Company to holders of Shares generally.

- 16.05 Any notice or other communication between the Company and a Grantee shall be in writing (in either English language or Chinese language) and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its headquarters in Xiamen, China, or such other address as notified to the Grantees from time to time and, in the case of the Grantee, his/her residential address as notified to the Company from time to time.
- 16.06 Any notice or other communication shall be deemed to have been served, if served by personal delivery, at the time of delivery; and if by pre-paid post:-
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or if delivered by hand, when delivered;
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 16.07 All allotments and issues of Shares shall be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and the Cayman Islands and a Grantee shall be solely 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 and complying with all relevant regulatory requirement of any country or jurisdiction in relation to the grant or exercise of the Options. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or comply with such regulatory requirements or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. The Company shall not be responsible for the lapse of any Options granted to any Eligible Participant as referred to in **Clause 8**.
- 16.08 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting the Options themselves) against the Company or any of its Subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or any of its Subsidiaries. No person shall, under any circumstances, hold the Board, its delegate and/or the Company liable for any costs.
- 16.09 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme.
- 16.10 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.

- 16.11 By participating in the Scheme, the Grantee consents to the holding, processing, storage and use of personal data or information concerning it by any member of the Group or other third party service provider (if any), in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Grantee;
  - (b) the provision of data or information to members of the Group, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
  - (c) the provision of data or information to future purchasers or merger partners of the Company, the Grantee's employing company, or the business in which the Grantee works;
  - (d) the transfer of data or information about the Grantee to a country or territory outside the Grantee's home country which may not provide the same statutory protection for the information as his/her home country; and
  - (e) in the case where an announcement is required to be made pursuant to the Listing Rules for the purposes of granting an Option, the disclosure of the identity of such Grantee, the number of Shares and the terms of the Shares granted and/or to be granted and all other information as required under the Listing Rules.

The Grantee is entitled, on payment of a reasonable fee, to a copy of the personal data held about it, and if such personal data is inaccurate, the Grantee has the right to have it corrected.

- 16.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong. All relevant parties to this Scheme shall submit to the non-exclusive jurisdiction of the Hong Kong courts.