

**China Aluminum Cans Holdings Limited**  
**(中國鋁罐控股有限公司)**

**SHARE OPTION SCHEME**

**Adoption Date: 19 May 2023**

## (1) DEFINITION

(a) In the Scheme the following expressions have the following meanings:

“Adoption Date”	the date of approval and adoption of the New Scheme by the Shareholders
“Articles” or “Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	China Aluminum Cans Holdings Limited 中國鋁罐控股有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Lin Wan Tsang and Wellmass International Limited
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	the Employee Participants, the Service Providers and the Related Entity Participants
“Employee Participant(s)”	the directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Exercise Price”	the price per Share at which a Grantee may subscribe for the Shares on the exercise of a Share Option
“Grantee(s)”	any Eligible Participant(s) who accept(s) the Offer in accordance with the terms of the New Scheme or (where the context so permits and as referred to in the New Scheme) his/her Personal Representative(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Individual Limit”	has the same meaning as defined herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“New Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments
“Offer”	means an offer for the grant of a Share Option made in accordance with the New Scheme
“Offer Date”	means the date on which the Board resolves to make an Offer of a Share Option to an Eligible Participant, which must be a Business Day
“Option Period”	which means, in respect of any Share Option, a period during which such Share Option can be exercised, being the period to be determined and notified by the Directors to the Grantee thereof, save that such period shall not be more than ten (10) years from the Offer Date
“Personal Representative(s)”	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 Share Option granted to such Grantee (to the extent not already exercised)
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Remuneration Committee”	the remuneration committee of the Company
“Scheme”	the share option scheme adopted by the Shareholders
“Service Provider(s)”	means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor: <ul style="list-style-type: none"> <li>(i) where the continuity and frequency of their services are akin to those of employees; or</li> <li>(ii) after stepping down from an employment or director position with the Group,</li> </ul>

who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in the manufacture and sale of monobloc aluminum aerosol cans and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group's business and financial or commercial strategy, and provided that professional service providers, such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category

“Service Provider Sublimit”	has the same meaning as defined herein
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the option(s) granted under the New Scheme to subscribe for Shares in accordance with the New Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

(b) In the Scheme, unless the context otherwise requires:

- (i) paragraph headings are for ease of reference only and shall be ignored in construing the Scheme;
- (ii) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (iii) words importing the singular include the plural and vice versa;
- (iv) words importing one gender include both genders and the neuter and vice versa;
- (v) references to persons include bodies corporate and unincorporated;
- (vi) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (vii) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## **(2) CONDITIONS**

- (a) The Scheme is conditional upon:
  - (i) the Stock Exchange granting the approval of the listing of and permission to deal in the Shares in issue and the Shares to be issued pursuant to the Spin-off and any Shares which may fall to be issued pursuant to the exercise of any options under the Scheme;
  - (ii) the commencement of dealings in the Shares on the Stock Exchange; and
  - (iii) the passing by shareholders of China Aluminum Cans in accordance with the Listing Rules and all applicable laws at the general meetings of China Aluminum Cans of resolutions approving the Scheme.
- (b) If any of the above conditions are not satisfied within 12 calendar months from the Adoption Date (or such later date as the shareholders of the Company may agree), the Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme.
- (c) Reference in paragraph 2(a)(i) to the Stock Exchange granting the approval of the listing and permission referred to therein shall include any such approval which are granted subject to the fulfillment of any condition precedent or condition subsequent.
- (d) A certificate of a Director that the conditions set out in paragraph 2(a) have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date shall be conclusive evidence of the matters certified.

## **(3) PURPOSE OF THE SCHEME**

The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the Exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

## **(4) WHO MAY JOIN**

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (a) directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);

- (b) directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company;
- (c) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor:
  - (i) where the continuity and frequency of their services are akin to those of employees;  
or
  - (ii) after stepping down from an employment or director position with the Group,

who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in the manufacture and sale of monobloc aluminum aerosol cans and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group's business and financial or commercial strategy, and provided that professional service providers. For the avoidance of doubt, such service providers should exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions. Professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, are also excluded; and

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), 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 of any member of the Group), and 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.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Related Entity Participants and Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, 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), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

- (a) In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
  - (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
  - (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
  - (iii) his/her contribution made or expected to be made to the growth of the Group; and
  - (iv) his/her educational and professional qualifications, and knowledge in the industry.
  
- (b) In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
  - (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
  - (ii) the period of engagement or employment of the Related Entity Participant by the Group;
  - (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
  - (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
  - (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
  - (vi) the materiality and nature of the business relation of the 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 which may benefit the core business of the Group through a collaborative relationship.

- (c) In assessing the eligibility of Service Provider(s), the Board will consider all relevant factors as appropriate, including, among others:
- (i) in respect of advisers and consultants:
    - A. the expertise, professional qualifications and industry experience of the Service Provider;
    - B. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
    - C. the prevailing market fees chargeable by other services providers;
    - D. the Group's period of engagement of or collaboration with the Service Provider; and
    - E. the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit;
  - (ii) in respect of contractors, sub-contractor and/or engineering or technical provider:
    - A. the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him;
    - B. the ability of the Service Provider to maintain the quality of services;
    - C. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
    - D. the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;
    - E. the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
    - F. the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

**(5) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- (a) The total number of Shares which may be issued upon the exercise of all Share Options to be granted under the Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the "**Other Schemes**") shall not in aggregate exceed 10% of the Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to (c) below. Share Options or awards cancelled or lapsed in accordance with the terms of the Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme



Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Share Options to be granted under the Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- (b) Subject to (a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 1% of the total number of Shares in issue on the Adoption Date (the “**Service Provider Sublimit**”).
- (c) The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in (a) and (b) above under the Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the Scheme or the last refreshment.
- (d) Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
  - (i) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
  - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.
- (e) The requirements under (d)(i) and (d)(ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (f) The total number of Shares which may be issued in respect of all Share Options to be granted under the Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- (g) The Company may seek separate approval by the Shareholders in its general meeting for granting Share Options beyond the Scheme Mandate Limit provided the Share Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Share Options, the number and terms of the Share Options to be granted to each Eligible Participant, and the purpose of granting Share

Options to the specified Eligible Participants with an explanation as to how the terms of the Share Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Share Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Share Options to be granted, the date of Board meeting for proposing such grant should be taken as the date of offer of grant of the Share Option (the “**Date of Grant**”) for the purpose of calculating the subscription price for Shares under the Scheme (the “**Subscription Price**”).

## **(6) GRANT OF SHARE OPTIONS**

Below would be construed as a grant of option under the Scheme under Rule 17.06A:

- (a) Subject to paragraph 6(b), the Directors shall, in accordance with the provisions of the 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 a Share Option, as determined in accordance with paragraph 7, as the Directors shall, subject to paragraph 5 and at their discretion, determine.
- (b) Without prejudice of paragraph 5, the making of an Offer to any Director or chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of a Share Option).
- (c) Any Offer shall be made to an Eligible Participant in writing (and otherwise 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 covered by such Share Option, the Option Period and any terms and conditions, restrictions and/or limitations applicable to the Share Option, and further requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and the Offer shall include a statement to the effect that any acceptance thereof shall render the Eligible Participant to whom the Offer is made bound by the provisions of the Scheme. The Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 30 days from the Offer Date.
- (d) An Offer shall state, in addition to the matters specified in paragraph 6(c), the following:
  - (i) the name, address and occupation of the Eligible Participant;
  - (ii) the number of Shares under the Share Option in respect of which the Offer is made and the Exercise Price for such Shares;
  - (iii) 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 Share Option comprised in the Offer;

- (iv) the last date by which the Offer must be accepted (which must not be later than 30 days from the Offer Date);
  - (v) a minimum period for which a Share Option must be held before it is vested and exercisable, which shall not be less than 12 months;
  - (vi) the procedure for acceptance;
  - (vii) 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 Scheme; and
  - (viii) a statement requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme including, without limitation, the conditions specified in, among other things, paragraphs 6(c) and 8(a).
- (e) An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Share 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 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- (f) Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Share 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 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- (g) Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 6(e) or 6(f), a Share 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 6(e) or 6(f), it will be deemed to have been irrevocably declined.
- (h) The Option Period of a Share Option must not be more than ten (10) years after the Offer Date.

- (i) Share Options will not be listed or dealt in on the Stock Exchange.
- (j) For so long as the Shares are listed on the Stock Exchange:
  - (i) an Offer may not be made after a price-sensitive event or 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:
    - (A) 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, quarterly or any other interim period (whether or not required under the Listing Rules); and
    - (B) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, 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 no Option may be granted during any period of delay in publishing a results announcement.
  - (ii) without prejudice to paragraph 6(j)(i), an Offer may not be made to an Eligible Participant who is subject to the Model Code during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code, or any corresponding code or securities dealing restrictions adopted by the Company.

## **(7) EXERCISE PRICE**

The Exercise Price in respect of any Share Option shall, subject to any adjustments made pursuant to paragraph 17, 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 quotation sheets issued by the Stock Exchange on the Offer Date;
- (b) the average closing price of the Shares as stated in the daily quotation 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.

## **(8) EXERCISE OF SHARE OPTIONS**

- (a) A Share Option must be personal to the Grantee and must not be transferable or assignable, save where applicable under the Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with other requirements under the Listing Rules, 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 Share Option or enter into any agreement to do so. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Option granted to such Grantee to the extent not already exercised.
- (b) Subject to, among other things, paragraph 6(c) and the fulfilment of all terms and conditions attached to the Share Options, a Share Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 8(e) and 8(f) by giving notice in writing to the Company stating that the Share 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 Share Option remains unexercised is less than one board lot or where the Share 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 30 days (seven days in the case of an exercise pursuant to paragraph 8(e)(iii) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 15, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Share Option by a Personal Representative pursuant to paragraph 8(e)(i), 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.
- (c) A Grantee is required to hold a Share Option for not less than twelve (12) months from the Offer Date before it can be exercised.
- (d) There is generally neither any performance targets required to be achieved by any holder of Share Option before a Share Option is capable of being exercised by the holder of Share Option nor any clawback mechanism under the Scheme for the Company to recover or withhold any remuneration (which may include Share Options granted to any holder of Share Option) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, the Board has the discretion to impose such performance target conditions on the Share Options or prescribe such clawback mechanism on a case by case basis where appropriate. The performance targets attached to the Share Options granted, if any, and the clawback mechanism for the Company to recover or withhold any Share Options granted, if any, will be set out in the grant letter upon the granting of Shares Options to an Eligible Participant.

- (e) Subject as hereinafter provided in the Scheme, a Share Option may only be exercised by the Grantee at any time during the Option Period provided that:
- (i) 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 Share Option in full, his/her Personal Representative(s) or, as appropriate, the Grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 8(b) 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 of the Company 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 8(e)(iii) or 8(e)(iv) occur during such period, exercise the Share Option pursuant to paragraph 8(e)(iii) or 8(e)(iv) respectively;
  - (ii) 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 9(a)(iv) before exercising the Share Option in full, the Share 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 Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 8(e) 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 8(e)(iii) or 8(e)(iv) occur during such period, exercise the Share Option pursuant to paragraph 8(e)(iii) or 8(e)(iv) 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 of the Company whether salary is paid in lieu of notice or not;
  - (iii) 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 Share 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 Share Options were granted, be entitled to exercise the Share 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 8(e) 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;

- (iv) 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 Share 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 8(e) and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his/her Share 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 Share Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (v) 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 Share 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 Share 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 Share 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 Share Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.
- (f) Shares to be allotted and issued upon the exercise of a Share 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 a Share 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.

## **(9) EARLY TERMINATION OF OPTION PERIOD**

- (a) The Option Period in respect of any Share Option shall automatically terminate and that Share Option (to the extent not already exercised) shall lapse at the earliest of:
  - (i) the expiry of the Option Period as may be determined by the Directors;
  - (ii) the expiry of any of the periods referred to in paragraph 6(e);
  - (iii) the date of commencement of the winding-up of the Company;
  - (iv) 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 been liable for a material misstatement in the Company's financial statements, 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 does not involve his integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his employment summarily;
  - (v) in respect of a Grantee other than an employee of the Group, the date on which the Board shall at their absolute discretion determine that: (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group on the other part; or (ii) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and
  - (vi) the date on which the Directors shall exercise the Company's right to cancel the Share Option by reason of a breach of paragraph 8(a) by the Grantee in respect of that or any other Share Option.
- (b) 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 9(a)(iv) and (v) has occurred shall be conclusive and binding on all persons who may be affected thereby.
- (c) 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.



## **(10) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Subject to paragraph (7) above, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the number of the total issued Shares at the Date of Grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or Grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules. The number and terms (including the Subscription Price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and 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.

## **(11) GRANT OF OPTIONS TO CONNECTED PERSONS**

- (a) Any grant of options under the Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by independent non-executive Directors (excluding independent non-executive Director who is the Grantee of the options).
- (b) Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing the information required under Rule 17.04(5) of the Listing Rules and where the Listing Rules shall so require, the vote at the Shareholders’ meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting. Any change in the terms of options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

## **(12) TIME OF ACCEPTANCE AND EXERCISE OF OPTION**

An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

Subject to paragraphs (13), (20), (21), (22) and (25), an option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

## **(13) VESTING PERIOD**

- (a) Save for the circumstances prescribed in (b) below, a Share Option must be held by the holder of Share Option(s) for at least twelve (12) months before the Share Option can be exercised.
- (b) A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:
  - (i) grants of “make-whole” Share Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
  - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
  - (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Share 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 Share Option would have been granted;
  - (iv) grants with a mixed or accelerated vesting schedule such as where the Share Option may vest evenly over a period of twelve (12) months;
  - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
  - (vi) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the Scheme.

It is considered that by having the flexibility of having a shorter vesting period, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the Scheme.

#### **(14) PERFORMANCE TARGETS AND CLAWBACK MECHANISM**

There is generally neither any performance targets required to be achieved by any holder of Share Option before a Share Option is capable of being exercised by the holder of Share Option nor any clawback mechanism under the Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any holder of Share Option) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, the Board has the discretion to impose such performance target conditions on the Share Options or prescribe such clawback mechanism on a case by case basis where appropriate. The performance targets attached to the Share Options granted, if any, and the clawback mechanism for the Company to recover or withhold any Share Options granted, if any, will be set out in the grant letter upon the granting of Shares Options to an Eligible Participant.

#### **(15) SUBSCRIPTION PRICE FOR SHARES AND CONSIDERATION FOR THE OPTION**

The subscription price for Shares under the Scheme will be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; and (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

#### **(16) RANKING OF SHARES**

- (a) Shares allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association of the Company 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 thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting, dividend or other rights until the completion of the registration of the Grantee on the register of members of the Company as the holder thereof.
- (b) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reduction of the share capital of the Company from time to time.

## **(17) EFFECT OF ALTERATIONS TO CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the 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 Scheme or any Share Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Exercise Price of any Share Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in a Share Option or which remain comprised in a Share Option, and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:
  - i. 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 Share Options held by him/her immediately prior to such adjustment;

- ii. 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;
- iii. 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
- iv. any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

Subject to compliance with the requirements as provided in this paragraph 15, if there is any capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the number of Share Options shall be made accordingly. The method of adjustment is set out as below:

**(A) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision**

$$Q = Q0 \times (1 + n)$$

Where: “Q0” represents the number of Share Options before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “Q” represents the number of Share Options after the adjustment.

**(B) Consolidation of Shares or share subdivision or reduction of the share capital**

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Share Options before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Options after the adjustment.

**(C) Rights issue**

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Share Options before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Share Options after the adjustment.

Subject to compliance with the requirements as provided in this paragraph 11, capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the Exercise Price shall be made accordingly. The method of adjustment is set out below:

**(A) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision**

$$P = P0 \div (1 + n)$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “P” represents the Exercise Price after the adjustment.

**(B) Consolidation of Shares or share subdivision or reduction of the share capital**

$$P = P0 \div n$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price after the adjustment.

**(C) Rights issue**

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents Exercise Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the Exercise Price of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment.

In respect of any adjustment referred to in this paragraph 17, 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.

- b If there has been any alteration in the capital structure of the Company as referred to in this paragraph 17, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 8(b), 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 this paragraph 17.

- c In giving any certificate under this paragraph 17, the auditors or the independent financial adviser appointed under this paragraph 17 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. The costs of the auditors or the independent financial adviser to the Company shall be borne by the Company.

#### **(18) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

For so long as the Shares are listed on the Stock Exchange, no offer for grant of options shall be made after a inside information has occurred or a inside information has been the subject of a decision until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the meeting of the Directors for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the last date on which the Company must publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of option may be made.

The Directors may not grant any option to a participant who is subject to 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 during the periods or times in which such participants is prohibited from dealing in Shares pursuant to such code.

#### **(19) PERIOD OF THE SCHEME**

The Scheme will remain in force for a period of 10 years commencing on the date on which the Scheme is adopted.

#### **(20) RIGHTS ON CEASING EMPLOYMENT**

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in paragraph (21) below before exercising his/her option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will 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 within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not.

## **(21) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT**

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee 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 within a period of 12 months following the date of cessation which date shall be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

## **(22) RIGHTS ON DISMISSAL**

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he/she has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements 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), his/her option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

## **(23) RIGHTS ON BREACH OF CONTRACT**

If the Directors shall at their absolute discretion determine that (i) the Grantee of any option (other than an Eligible Employee) or his/her associate has committed any breach of any contract entered into between the Grantee or his/her associate on the one part and the Group on the other part; or (ii) that such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) such grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever, the option granted to such grantee under the Scheme shall lapse, his/her option will lapse automatically and will not in any event be exercisable on or after the date on which the event referred to (i), (ii) or (iii) above has occurred.

## **(24) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT**

If a general or partial offer, whether by way of take-over offer, share re-purchase 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 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, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his/her 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 exercise of his/her option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.



## **(25) RIGHTS ON WINDING UP**

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 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 the Scheme 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 Business Day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him 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 of the Company.

## **(26) ADJUSTMENTS TO THE SUBSCRIPTION PRICE**

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditor of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the Scheme and the option so far as unexercised and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

## **(27) CANCELLATION OF OPTIONS**

Save as the breach of paragraph (29) below and subject to Chapter 17 of the Listing Rules, any cancellation of options granted but not exercised must be subject to the consent of the relevant grantee and the approval of the Directors.

When 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 the options so cancelled) within the Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph (5) above. The options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

## **(28) TERMINATION OF THE SCHEME**

The Company may, by resolution in general meeting, at any time terminate the operations of the Scheme and in such event no further options shall be offered but in all other respects the provisions of the 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 to the termination or otherwise as may be required in accordance with the provisions of the Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

## **(29) RIGHTS ARE PERSONAL TO THE GRANTEE**

An option is personal to the Grantee and shall not be transferable or assignable.

## **(30) LAPSE OF OPTION**

An option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such option; (b) the expiry of the periods or dates referred to in paragraphs (19), (20), (21), (22), (23), (24) and (25); or (c) the date on which the Directors exercise the Company's right to cancel the option by reason of a breach of paragraph (29) above by the Grantee.

## **(31) OTHERS**

- (a) The Scheme is conditional on the Stock Exchange granting the listing of and permission to the obtaining of the approval of the Shareholders at the Annual General Meeting and deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Scheme.
- (b) Any alterations to the terms and conditions of the Scheme which are of 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 Eligible Participants must be approved by the Shareholders in general meeting.
- (c) Any change to the terms of the Share Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be) if the initial grant of the Share 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 the Scheme.
- (d) The amended terms of the Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Scheme shall be approved by the Shareholders in general meeting.