

HOPEFLUENT GROUP HOLDINGS LIMITED

合富輝煌集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

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SHARE OPTION SCHEME

1. DEFINITIONS

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

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| “Acceptance Date” | means the last date on which the Options granted must be accepted by the relevant Eligible Participant, and a date no later than 30 days after the Offer Date; |
| “Adoption Date” | means [•] 2023, being the date on which the Scheme is approved by the Shareholders; |
| “Associates” | has the meaning ascribed to it under the Listing Rules; |
| “Auditors” | means the auditors of the Company for the time being; |
| “award” | refers to Shares granted or to be granted under a share award scheme of the Company; |
| “Board” | means the board of Directors from time to time and a duly authorised committee thereof; |
| “Business Day” | means a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for the business of dealing in securities; |
| “Company” | means Hopefluent Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 733); |
| “Companies Act” | means the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands; |
| “Director(s)” | means the director(s) of the Company; |
| “Eligible Participants” | means the Employee Participants and the Related Entity Participants; |

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| “Employee Participants” | means (a) the employees (whether full-time or part-time) of the Group; (b) the Directors (including non-executive Directors and independent non-executive Directors); and (c) the directors of any member of the Group; |
| “Exercise Price” | means the exercise price of the Options and has the meaning ascribed to it in Clause 6; |
| “Grantee” | means any Eligible Participant who accepts a grant of Option in accordance with the terms of the Scheme; |
| “Group” | means the Company and its subsidiaries; |
| “HK\$” | means Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time); |
| “Offer Date” | means, in respect of an Option, the date on which such Option is offered/granted to an Eligible Participant, which must be a Business Day; |
| “Option(s)” | means option(s) to subscribe for Shares granted to an Eligible Participant pursuant to the terms of the Scheme; |
| “Option Exercise Period” | means, in respect of an Option, the period for which the Grantee may exercise the Option under the Scheme, provided that the period shall not exceed ten (10) years from the Offer Date and is subject to Clause 8; |
| “Personal Representative” | means the person who has the right to exercise an Option accepted by a Grantee in the event of the Grantee’s death in accordance with the applicable laws of succession relating to the Grantee’s death (to the extent not already exercised); |
| “Related Entity Participants” | means the directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company; |
| “Remuneration Committee” | means the remuneration committee of Board; |

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| “Scheme” | means this share option scheme in its present or any amended form; |
| “Scheme Mandate Limit” | has the meaning ascribed to it in Clause 9.1; |
| “Scheme Period” | means the period of ten (10) years on the Adoption Date (both dates inclusive); |
| “Shares” | means shares of HK\$0.01 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or reconstruction of such shares from time to time) in the capital of the Company; |
| “Shareholders” | means the shareholders of the Company; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “Substantial Shareholder” | shall have the meaning ascribed to it under the Listing Rules; |
| “Vesting Conditions” | means any performance target or any condition, restriction or limitation set or imposed by the Board and/ or the Remuneration Committee in its absolute discretion; and |
| “Vesting Date” | means the date on which granted Options become vested and exercisable by the Grantee as stated in the offer letter given to the Grantee pursuant to Clause 5.2. |

1.2 In this Scheme unless otherwise defined or unless the context or subject matter otherwise requires:

- (a) headings are inserted for convenience only and shall be ignored in construing this Scheme;
- (b) any reference to Clauses is a reference to the clauses of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) words importing gender or the neuter include both genders and the neuter; and
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision that amends or supersedes or has been amended or superseded, and shall include any subsidiary statute promulgated under the relevant statute.

2. CONDITIONS

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

- (a) the passing of the necessary resolution(s) by the Shareholders to approve and adopt the rules of the Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Share to be allotted and issued pursuant to the exercise of Options granted under the Scheme.

3. PURPOSES, DURATION AND ADMINISTRATION

- 3.1 The purposes of the Scheme are: (a) to motivate the Eligible Participants to work hard for the Group's future development by providing them with an opportunity to subscribe for the Shares, thereby promoting long-term stable development of the Group; (b) to provide the Eligible Participants with incentives and/or rewards for their contributions to the Group; and (c) to enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.
- 3.2 Subject to the fulfilment of the conditions in Clause 2 and to Clause 17, the Scheme shall be valid and effective within the Scheme Period, after which period no further Option shall be granted but the provisions of the Scheme shall remain in full force and effect in all other respects and Options granted and remain outstanding shall continue to be valid and exercisable in accordance with the Scheme.
- 3.3 The Scheme shall be subject to the administration of the Board whose decision on all matters arising from the Scheme or interpretation of the Scheme or decision on the effect of the Scheme (save as otherwise provided) shall be final and binding on all parties. The Board may, by way of resolution, authorise any Director to exercise any or all power to administer the Scheme, including without limitation, the power to select Grantee(s) amongst the Eligible Participants as provided in Clause 5 and to grant Options to such Grantee(s).

4. BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

- 4.1 In determining the basis of eligibility of each Eligible Participant, the Board shall mainly take into account the experience of the Eligible Participant in the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant), the 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 Related Entity Participant) and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has provided for the operation and development of the business 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 further provide to the Group in the future.

- 4.2 When assessing an Employee Participant, the Board may consider factors including his expertise, knowledge and experience, 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.
- 4.3 When assessing a Related Entity Participant, the Board may consider factors including his professional skills, knowledge and experience, individual performance, the length of business relationship with the Group, the importance and nature of the business relationship with the Group (for example, if it is related to the core businesses of the Group and whether such business transactions can easily be replaced by a third party), and the track record of the quality of cooperation with the Group.

5. GRANT OF OPTIONS

- 5.1 Subject to the Scheme and the Listing Rules, the Board or its authorised person shall have the right but not the obligation to grant an Option at any time on any Business Day during Scheme Period to any Eligible Participant selected by the Board or its authorised person in its absolute discretion.
- 5.2 When the Board or its authorised person resolves to grant an Option to an Eligible Participant pursuant to Clause 5.1, the Board or its authorised person shall issue an offer letter in such form as the Board may determine from time to time, specifying the following:
- (a) the name and address of the Eligible Participant and, where he is an Employee Participant, the position held by him, or where he is a Related Entity Participant, his occupation and the organisation in which he is employed;
 - (b) the Offer Date;
 - (c) the Acceptance Date;
 - (d) the minimum time period within which the Option granted needs to be held before it can be exercised, the applicable Vesting Date and/or the Vesting Conditions, if any;
 - (e) Option Exercise Period;
 - (f) the number of Shares in respect of which the Option is offered;
 - (g) the Exercise Price and the manner of payment;
 - (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Clause 5.3;
 - (i) such other terms and conditions relating to the grant of Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the rules and procedures applicable to the Scheme;

- (j) a clawback mechanism pursuant to which the Company may clawback the grant of Option or the Options granted (if any); and
 - (k) requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.
- 5.3 An Option shall be deemed to have been granted and accepted by the Eligible Participant and to have taken effect when the offer letter comprising acceptance of the grant of the Option duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 as of consideration for the grant thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.
- 5.4 If the grant of Option is not accepted on or prior to the Acceptance Date, such grant shall lapse and shall be deemed to have been irrevocably rejected.
- 5.5 The Options shall not be listed or traded on the Stock Exchange.
- 5.6 An Option shall be personal to the Grantee and shall not be transferrable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement to do so, unless a waiver is granted by the Stock Exchange allowing a transfer of the Option to a vehicle for the benefit of the Grantee and any family members of such Grantee (e.g., for estate planning and tax planning purposes) that would continue to meet the purpose of the Scheme and comply with requirements of Chapter 17 of the Listing Rules. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.
- 5.7 The Board shall not grant any Option under the Scheme after inside information (as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)) has come to the Company's knowledge until it has announced the information in accordance with the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. In the event of any delay in publishing a results announcement, no Option shall be granted during such period of delay.

- 5.8 No Option shall be granted to an Eligible Participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.
- 5.9 Any grant of Options to a connected person (as defined in the Listing Rules) of the Company or any of its Associates shall be made in accordance with the requirements of the Listing Rules.
- 5.10 Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (as defined in the Listing Rules) (or Associates if the Eligible Participant is a connected person as defined under the Listing Rules) abstaining from voting. The Company must send a circular to the Shareholders which must disclose 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 the Shareholders' approval. In respect of any Option to be granted, the date of the meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercising Price.
- 5.11 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) and the Remuneration Committee.
- 5.12 Any grant of Options to a Related Entity Participant must be approved by the Remuneration Committee (with any member of the Remuneration Committee who is the Grantee to abstain from voting in the relevant committee meeting).
- 5.13 Any grant of Options to a Substantial Shareholder of the Company or an independent non-executive Director, or any of their respective Associates, shall be approved by the Remuneration Committee.
- 5.14 Where any grant of Options to an independent non-executive Director or a Substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the rules of the scheme(s) 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 issued Shares, such further grant of Options must be approved by the Shareholders in general meeting, with the relevant Grantee, his Associates and all core connected persons (as defined in the Listing Rules) of the Company to abstain from voting in favour at the general meeting.

- 5.15 Options which have lapsed pursuant to Clause 8 shall not be taken into account for the purposes of calculating the limits as described in Clauses 5.10 and 5.14.
- 5.16 Where 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 prescribed by the relevant provisions of Chapter 17 of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme:
- (a) a circular regarding such change has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (b) the change has been approved by the Shareholders (by way of poll) at a general meeting with such Grantee, its Associates and all core connected persons (as defined in the Listing Rules) of the Company to abstain from voting in favour of it.
- 5.17 In the circumstances described in Clauses 5.9 to 5.14, if an Option is not approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Company shall make a refund (without interest) of the Option price paid by the Eligible Participant in respect of such Option.
- 5.18 Options do not carry any right to vote at any general meeting of the Company, or any right to dividend or transfer or any other rights, including those arising on the liquidation of the Company.

6. EXERCISE PRICE

The exercise price of Options (the “**Exercise Price**”) shall be a price determined by the Board in its absolute discretion, and must be at least the highest of: (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Offer Date; (b) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and (c) 90% of the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the twenty (20) Business Days immediately preceding the Offer Date, and rounded up to the nearest Hong Kong cent.

7. EXERCISE OF OPTIONS, VESTING PERIOD AND CLAWBACK MECHANISM

- 7.1 Subject to compliance with Clauses 7.2, 7.3 and 7.4, the Grantee may exercise the Options in whole or in part by giving a notice in writing to the Company stating his intention to exercise the Options and the number of Shares to be subscribed upon the exercise of the Options. The number of Shares to be subscribed upon exercise of the Options shall be in one board lot then traded in the Stock Exchange or its integral multiple, except when exercising all the outstanding Options. Each written notice to be Company must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. The Company shall within twenty-eight (28) days after the receipt of the written notice and the remittance from the Grantee and, where applicable, the receipt of the certificate of the Auditors or the independent financial adviser (as the case may be) pursuant to Clause 12, allot and issue to the Grantee of the number of Shares credited as fully paid as specified in the written notice and shall deliver to the Grantee a definitive share certificate in respect thereof.
- 7.2 The vesting period for Options shall be determined by the Board and in any case, shall not be less than twelve (12) months. A shorter vesting period may be granted to an Employee Participant at the discretion of the Board 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 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 Options would have been granted;
 - (c) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
 - (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria.
- 7.3 The Board and/or the Remuneration Committee may determine in its absolute discretion and set any performance target or impose any condition, restriction or limitation in relation to the vesting of the Options (the “**Vesting Conditions**”), which shall be stated in the offer letter to the Grantee, to be attained before the vesting of the Options granted to the Grantee as the Board may think fit. Such performance targets, which may vary between Grantees, may include the achievement of various key performance indicators, including without limitation (a) the business performance and financial performance of the Group, member(s) of the Group and/or department(s) of the Group, (b) the performance of the business group, the business unit, the business line, the project and/or the geographical region managed by the Grantee, (c) the Grantee’s individual performance in fulfilling his job duties and responsibilities based on regular performance reviews and annual reviews, and (d) any measurable performance benchmark which the Board and/or the Remuneration Committee considers is relevant to the Grantee.

- 7.4 The Board may, at its absolute discretion, determine such clawback provisions to be applied to a grant of Option or an Option granted such that, upon the occurrence of an applicable clawback event such as (a) a Grantee has been convicted of a criminal offence involving his integrity or honesty, (b) in the opinion of the Board, a Grantee has engaged in serious misconduct or fraudulent activity or breaches the rules of the Scheme, (c) there is a material misstatement in the Company's financial statements, or (d) other special circumstances as the Board may think fit, the grant of Option or an Option granted shall lapse immediately. If the Board makes a determination at its absolute discretion, it shall give the relevant Eligible Participant or Grantee a written notice of such determination and the grant of Option or the Option granted but not yet vested and/or exercised (as the case may be) shall lapse on the date of the written notice. The Board's determination shall be final, conclusive and binding.
- 7.5 For the avoidance of doubt, regardless of the Offer Date of any Eligible Participants, such Eligible Participants shall fulfil the Vesting Conditions in order for the relevant Options to be vested in him.
- 7.6 Subject to the compliance of the requirements under the Scheme, the Option may be exercised by the Grantee at any time on or after the Vesting Date during the Option Exercise Period provided that:
- (a) Rights on take-over: If a general offer (whether by way of takeover offer, share acquisition offer or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his Personal Representative) may within fourteen (14) days after the date on which such offer becomes or is declared unconditional, exercise the Options which have been vested and are exercisable to its fullest extent.
 - (b) Rights on a compromise or arrangement: If pursuant to the Companies Law, a compromise or scheme of arrangement between the Company and its members and/or creditors is proposed in connection with the purpose for the reorganisation of the Company or its amalgamation with any other company or a scheme for the restructuring of the Company or its amalgamation with any other company, the Company shall give a notice to all Grantees on the same date on which it gives notice to its members and/or creditors for summoning a meeting to consider such a compromise or scheme of arrangement. Upon receipt of the notice, the Grantee is entitled to exercise all or part of the respective Options which have been vested and are exercisable at any time before noon (Hong Kong time) on the Business Day immediately prior to the date on which such compromise or arrangement is to be considered in a meeting convened with the approval by the Cayman Islands court, and if such meeting is held several times, the date of the first meeting shall prevail. The right of all Grantees to exercise their respective Options which have been vested and are exercisable shall be immediately suspended on the date of such meeting. Upon the compromise or scheme of arrangement becoming effective, all outstanding Options shall lapse and terminate. The Board shall endeavour to ensure that the

Shares issued under these circumstances upon the exercise of the Options, for the purpose of such compromise or scheme of arrangement, become part of the Shares issued by the Company on the effective date of such compromise or scheme of arrangement, and such Shares shall be subject to such compromise or scheme of arrangements in all respects. If, for any reason, such compromise or arrangement has not been approved by the Cayman Islands court (whether upon the terms presented to the Cayman Islands court or upon any other terms as may be approved by such court), the right of the Grantees to exercise their respective Options which have been vested and are exercisable shall be fully restored on the date on which the Cayman Islands court order is made as if the Company had never proposed such compromise or scheme of arrangement and no claim shall be instigated against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

- (c) Rights on winding-up: If the Company gives a notice for its shareholders to convene a general meeting to consider (and if thought fit) adopting a resolution of voluntary closure of the Company, the Company shall send the aforesaid notice to all Grantees on or immediately after the date on which the notice is given to all members of the Company. Upon receipt of such notice, each Grantee (if the Grantee has passed away, then his Personal Representative) shall be entitled to exercise all or any of his Options which have been vested and are exercisable by notice in writing to the Company at any time not later than two (2) Business Days prior to the proposed date of the general meeting of the Company, and such notice shall be accompanied by a remittance of total amount of Exercise Price of the Shares accepted by the Options to be exercised. The Company shall, as soon as possible after receiving the aforesaid notice from the Grantee, but not later than one (1) Business Day before the general meeting of the Company under any circumstances, allot relevant Shares to the Grantee who have paid in full.

7.7 The Shares to be allotted upon exercise of the Options shall not be entitled to vote until the Grantee (or other person designated by the Grantee) completes registration as the holder of the Shares. In addition, the Shares allotted upon exercise of the Options shall comply with all the terms of the current constitutional document of the Company, and shall be entitled to equal voting right, dividend right, transfer right and other rights in all respects proportionally, including the rights attaching to the Shares issued on the date of issue fully paid by the Grantee, and rights arising from liquidation of the Company. Without prejudice to the general principles set forth above, such voting right, transfer right and other rights, including those arising on the date of liquidation of the Company, and the right to pay or receive any dividends or other distribution on or after the date of issue, shall be equally on a pro rata basis. For the avoidance of doubt, this Clause shall not affect the restrictions of Clause 10.

8. LAPSE OF OPTION

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

- (a) the date of expiry of Options as determined by the Board and stated in the offer letter to the Grantee given pursuant to Clause 5.2;
- (b) the expiry of the Option Exercise Period (in respect of the vested but outstanding Options);
- (c) the expiry of any of the period during which a Grantee may exercise his Share Option referred to in Clause 7.6 (in respect of the outstanding Options);
- (d) the date of commencement of the winding-up of the Company in accordance with the Companies Law;
- (e) in the event of a Grantee being a director or an employee of the Company or any member of the Group or any other entity as specified in the offer letter referred to in Clause 5.2 (as the case may be) ceasing to be an employee of the Company or any member of the Group or any other entity as specified in the offer letter referred to in Clause 5.2 (as the case may be) or being transferred, demoted or relegated, for reason other than transfer in the Group or any other entity as specified in the offer letter referred to in Clause 5.2 (as the case may be) within the rank of senior staff, the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or its relevant subsidiary or any other entity as specified in the offer letter referred to in Clause 5.2 (as the case may be) whether the salary is paid in lieu of notice or not) or the effective date of transfer, demotion or relegation;
- (f) the date on which a Grantee commits any breach of the provisions of Clause 5.6; and
- (g) in the event that a Grantee was an employee or a director of a member of the Group at the relevant Offer Date, the date on which such member of the Group terminates the Grantee's employment or removes the Grantee from his office on the ground that the Grantee has been guilty of serious misconduct.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 Upon adoption of the Scheme or any other new scheme (the “**New Scheme**”) by the Company, the maximum number of Shares which may be issued upon share options or awards that may be granted under the Scheme, the New Scheme and other existing share option schemes of the Company (the “**Existing Scheme**”) shall not exceed 10% of the total number of issued Shares as at the Adoption Date or the date of adopting the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”).
- 9.2 Subject to the approval of the Shareholders, the Board may “refresh” the Scheme Mandate Limit after three (3) years from the Adoption Date or the date of the Shareholders’ approval for the last refreshment, provided that the total number of Shares to be issued under the Scheme Mandate Limit as “refreshed” in respect of all Options and awards to be granted under the Existing Scheme of the Company must not exceed 10% of the Shares in issue as at the date of such Shareholders’ approval of the “refreshment” of the Scheme Mandate Limit. Options and awards previously granted under the New Scheme and other existing share option schemes of the Company (including outstanding, cancelled, lapsed or exercised options) will not be counted for the purposes of calculating Scheme Mandate Limit as “refreshed”. A circular relating to the proposed refreshment of the Scheme Mandate Limit containing the number of Options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment shall be despatched to the Shareholders.
- 9.3 Any refreshment of the Scheme Mandate Limit within any three (3) years’ period shall be approved by the Shareholders and the controlling shareholders and their Associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting. This requirement does not apply if, the refreshment is made immediately after an issue of Shares 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 the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 9.4 If the Company conducts a Share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

10. LOCK-UP

Upon exercise of a Grantee’s Option and the allotment and issue of new Shares, there shall be no lock-up restriction on such Shares.

11. RIGHTS ON DEATH AND SEVERE DISABILITY

In the event that a Grantee who is an Employee Participant, dies or becomes severely disabled (as defined for the purpose of the disability allowance administered by the Social Welfare Department of Hong Kong or the relevant department) before exercising the Options which have been vested and exercisable in full, he or his Personal Representative (as the case may be) may exercise such Option up to the Grantee's entitlement on or before (a) the last day of a period of three (3) months following his death or severely disability as confirmed by the Board (as the case may be), or (b) the expiration date of the Option Exercise Period, whichever is earlier.

12. ALTERATION OF THE CAPITAL STRUCTURE

12.1 In the event of any alteration to the capital structure of the Company arising from capitalisation issue, rights issue, sub-division, consolidation of shares or reduction of capital of the Company, other than on an issue of Shares as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to any Option so far as unexercised; and/or
- (b) the Exercise Price; and/or
- (c) any combination thereof,

as the independent financial adviser to the Company or the Auditors shall, upon request by the Company or any authorised person, confirm in writing, either generally or as regards any particular Grantee that any such alterations are fair and reasonable and pursuant to the Supplementary Guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes (the "Supplementary Guidance"), such alterations shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which the Grantee was entitled before such alterations, and no such alterations shall be made the effect of which would be to enable any Shares to be issued at less than its nominal value, and in each case, any adjustment shall be made in compliance with the Listing Rules, and such rules, codes and guidance notes of the Stock Exchange from time to time. The capacity of the Auditors or the independent financial adviser, as the case may be, in this Clause is that of experts and not arbitrators and their confirmation shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees. Any changes made pursuant to this Clause shall be in accordance with the Listing Rules, the Supplementary Guidance and any future guidance and interpretations of the Listing Rules made by the Stock Exchange from time to time.

12.2 In respect of any alterations required by Clause 12.1, other than any made on a capitalisation issue, an independent financial adviser to the Company or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed by the Listing Rules from time to time.

13. SHARE CAPITAL

The Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

14. DISPUTES

Any dispute arising in connection with the Scheme (whether as to the number of Shares which is the subject of an Option, the amount of the Exercise Price or otherwise) shall be decided by the Board (except for the circumstances stipulated in Clause 12.1) and the decision of the Board shall be final and binding on all persons affected.

15. ALTERATION OF THE SCHEME

15.1 The rules governing the management and operation of the Scheme may be altered in any respect by a resolution of the Board except the following:

- (a) Any alterations to the terms and conditions of the Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in rule 17.03 to the advantage of the Eligible Participants must be approved by shareholders of the Company in general meeting with such Eligible Participants and his associate(s) (as both defined in the Listing Rules) abstaining from voting.
- (b) Any change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or 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 the Scheme.
- (c) Any change to the authority of the Board to alter the terms of the Scheme must be approved by the Shareholders in general meeting.

15.2 The amended terms of the Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

16. CANCELLATION OF OPTIONS GRANTED

16.1 If a Grantee breaches Clause 5.6 or a clawback event as referred to in Clause 7.4 occurs, the Board shall have the right to cancel any outstanding Option or part thereof granted to such Grantee (to the extent not already exercised).

16.2 Any Option granted but not exercised may be cancelled by the Board at its absolute discretion. Where the Company cancels Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made when there are available unissued Options within the Scheme Mandate Limit. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17. TERMINATION OF THE SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered or granted. Unless otherwise resolved by the Board, in all other respects the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme, and Options which are granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Scheme and their terms of issue.

18. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Board shall ensure that details of this Scheme and other schemes of the Company and its subsidiaries are disclosed in the Company's periodic reports including the annual and interim reports in accordance with the Listing Rules in effect from time to time.

19. GENERAL

- 19.1 The Company shall be responsible for the costs of establishing and administering the Scheme (including without limitation the fees of the Auditors or the independent financial advisers approved by the Board (as the case may be) for preparing and issuing any certificate or providing any other services in connection with the Scheme).
- 19.2 Any notice, document or other communication between the Company and the Grantee shall be in writing.
- 19.3 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served forty-eight (48) hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been served until the same shall have been received by the Company.
- 19.4 All allotments and issues of Shares pursuant to the Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being in force. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of his Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 19.5 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

19.6 The rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Scheme, and the 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.

20. GOVERNING LAW

The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

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