

**THE CROSS-HARBOUR (HOLDINGS) LIMITED**

**港通控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

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**SHARE OPTION SCHEME**

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**港通控股有限公司**  
*(Incorporated in Hong Kong with limited liability)*

**SHARE OPTION SCHEME**

**1. Definitions**

1.1 In the Scheme the following expressions have the following meanings:-

“Adoption Date”	means [*] 2025 (the date on which the Scheme is conditionally adopted by resolution of the shareholders of the Company in general meeting);
“associate”	shall have the same meaning ascribed to it under the Listing Rules;
“Auditors”	means the auditors for the time being of the Company;
“Board”	means the board of directors of the Company or (where the context so permits) a duly authorised committee thereof for the time being;
“Business Day”	shall have the meaning ascribed to it under the Listing Rules;
“chief executive”	shall have the meaning ascribed to it under the Listing Rules;
“close associate”	shall have the meaning ascribed to it under the Listing Rules;
“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Company”	means The Cross-Harbour (Holdings) Limited 港通控股有限公司, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;
“connected persons”	shall have the meaning ascribed to it under the Listing Rules;

“controlling shareholder”	shall have the meaning ascribed to it under the Listing Rules;
“core connected persons”	shall have the meaning ascribed to it under the Listing Rules;
“day”	means calendar day;
“Disability”	shall have the meaning as defined under the long-term disability policy, if any, of the relevant member of the Group to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the member of the Group to which the Grantee provides service does not have a long-term disability plan in place, “Disability” shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its discretion;
“Employee”	means any full-time employee employed by the Company and its subsidiaries;
“Exercise Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in paragraph 6;
“Grantee”	means any Participant who accepts an Offer, or (where the context so permits) a person who is entitled to any such Option in consequence of the death or Disability of the original Grantee, in accordance with the provisions of the Scheme;
“Group”	means the Company and its Subsidiaries from time to time;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“month”	means calendar month;
“Offer”	means the offer of the grant of an Option made in accordance with the provisions of the Scheme;
“Offer Date”	means the date of the Offer Letter;
“Offer Letter”	means the Offer Letter as described in sub-paragraph 5.5;
“Option”	means a right to subscribe for Shares pursuant to the provisions of the Scheme;
“Option Period”	means a period to be determined by the Board in its absolute discretion as being the period during which an Option may be exercised, such period to expire not later than 10 years from the date of grant of the Option;
“Other Scheme”	means schemes involving the grant of awards or options over Shares of the Company, other than this Scheme;
“Participant”	means any director of the Company or any of its Subsidiaries or any Employee, including persons who are granted Options under this Scheme as an inducement to enter into employment contracts or service contracts with any of such companies;
“Permitted Transferee”	has the meaning ascribed to it in sub-paragraph 7.1;
“Relevant Company”	means the relevant company within the Group;
“Renewal Mandate”	has the meaning ascribed to it in sub-paragraph 9.2;
“Scheme”	means this share option scheme in its present form or as amended from time to time;
“Scheme Mandate Limit”	has the meaning ascribed to it in sub-paragraph 9.1;

“Scheme Period”	means 10 years commencing on the Adoption Date;
“Share(s)”	means the ordinary share(s) in the share capital of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance);
“substantial shareholder”	shall have the same meaning ascribed to it under the Listing Rules;
“treasury shares”	shall have the same meaning ascribed to it under the Listing Rules; and
“\$”	means Hong Kong dollars.

1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to paragraphs or sub-paragraphs are to paragraphs or sub-paragraphs of the Scheme.

1.3 Unless the context otherwise requires, references in the Scheme to the singular shall be deemed to include references to the plural and vice versa; references to one gender shall include all genders; references to natural persons shall include corporations and unincorporated associations; and references to any enactment shall be construed as a reference to such enactment as from time to time amended, extended or re-enacted.

## **2. Purpose of the Scheme**

The purpose of the Scheme is to provide the Company with a flexible means of incentivizing, rewarding, remunerating, compensating, and/or providing benefits to the Participants in the interest of the long-term growth of the Group.

## **3. Conditions**

The Scheme shall be subject to the fulfilment of the following conditions and shall take effect upon the last of the following conditions being satisfied:-

- (a) the passing of an ordinary resolution approving the adoption of the Scheme by the shareholders of the Company in general meeting; and

- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the Scheme.

#### **4. Duration and Administration**

- 4.1 Subject to paragraphs 3 and 15, the Scheme shall be valid and effective for the Scheme Period, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect and Options which are granted during the Scheme Period may continue to be exercisable in accordance with the provisions of the Scheme.
- 4.2 The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

#### **5. Grant of Options**

- 5.1 On and subject to the terms of the Scheme, the Board shall be entitled at any time on a Business Day during the Scheme Period to make an Offer to any Participant as the Board may in its absolute discretion determine.
- 5.2 In determining the eligibility of the Participant, the factors in assessing whether any Participant is eligible include: (i) the performance of such Participants; (ii) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) their length of engagement with the Group; (iv) their contribution or potential contribution to the development and growth of the Group; (v) alignment of interests with shareholders; and (vi) retention and motivation potential for granting Options to the relevant Participants.
- 5.3 In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) a Participant, such person shall provide all such information as the Board may request for the purpose of assessing his eligibility (or continuing eligibility).
- 5.4 Any grant of Option may not be made after inside information (as defined in the Listing Rules), has come to the knowledge of the Board, until (and including) the trading day after the Company has announced such inside information in accordance with the relevant applicable laws and regulations. In particular, no Option may be granted during the period commencing 30 days immediately preceding the earlier of:-
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving 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, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, or during any period of delay in publication of a results announcement.

- 5.5 An Offer shall be made to a Participant by letter (the “**Offer Letter**”) in such form as the Board may from time to time determine specifying, among other things:
- (a) the number of Shares;
  - (b) the Exercise Price;
  - (c) the Option Period;
  - (d) the performance target(s) (if any) as the Board thinks appropriate that must be achieved by the Grantee;
  - (e) notwithstanding any provision of this Scheme, the vesting period of an Option shall not be less than 12 months;
  - (f) requiring the 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.
- 5.6 An Offer shall remain open for acceptance by the Participant to whom an Offer is made for a period of 14 days from the Offer Date provided that no such Offer shall be open for acceptance after expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof (whichever is the earlier).
- 5.7 An Offer shall be deemed to have been accepted, and the Option to which the Offer relates shall be deemed to have been granted, on the Offer Date when the duplicate Offer Letter comprising an acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein together with the Grantee’s agreement to pay on demand by the Company a consideration of \$1.00 for the grant thereof is received by the Company within 14 days from the Offer Date. Such payment, if so demanded by the Company, shall be made by the Grantee within 7 days of the date of the demand and, shall in no circumstances be refundable.
- 5.8 Any Offer may be accepted or deemed to have been accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner indicated in sub-paragraph 5.7, it will be deemed to have been irrevocably declined without notice.
- 5.9 Save as otherwise determined by the Board at its sole discretion and provided in the



Offer Letter as part of the terms and conditions of any Option offered therein, there are no performance targets which must be achieved by the Grantee, nor is there a clawback mechanism established by the Company to recover or withhold any Options granted to the Participants in any circumstances. The Board may impose a clawback mechanism on a case-by-case basis to recover Options granted to a Grantee (to the extent not exercised) and set out the clawback mechanism in the Offer Letter, which covers the following conditions:

- (a) the Grantee commits serious misconduct or a breach of policy, code or any other agreement with the Group that is deemed material;
- (b) the Grantee engages in any act or omission in the performance of his/her duties that has caused or will cause a material adverse effect on the reputation or interests of the Group; and/or
- (c) the Grantee ceases to be an Employee for cause (including but not limited to misconduct or fraud).

If the Board exercises its discretion concerning any matters related to this paragraph, it may provide (but is not obliged to) the relevant Grantee with written notice, and the Board's interpretation and determination shall be final, conclusive, and binding. The Options recovered will be cancelled, and such cancelled Options will be regarded as utilised for calculating the Scheme Mandate Limit.

- 5.10 Subject to the provisions of the Scheme, the Board may at its discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the Scheme as it may think fit (which shall be stated in the Offer Letter), including any performance target(s) the Board thinks appropriate that must be achieved by the Grantee and any minimum period for which an Option must be held, before any Options can be exercised.

## **6. Exercise Price**

Subject to any adjustments made pursuant to paragraph 11, the Exercise Price shall be a price solely determined by the Board and shall not be less than the higher of:-

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

Without prejudice to the generality of the foregoing and subject to the Listing Rules, the Board may grant Options in respect of which the Exercise Price is fixed at

different prices for different periods during the Option Period.

## **7. Exercise of Options**

7.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement to do so, provided that the Board may at its absolute discretion allow a Grantee to transfer or assign an Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and/or any of the family members of such Grantee for estate planning or tax planning purposes (the “**Permitted Transferee**”) if:

- (a) the Grantee provides all such information in relation to the proposed transferee or assignee as the Board may request for the purpose of establishing to the Board’s satisfaction that the proposed transferee or assignee is a Permitted Transferee;
- (b) each of the Grantee and the proposed transferee or assignee undertakes and warrants that the proposed transferee or assignee (i) will not in any way sell, transfer, assign, charge, mortgage, encumber or create any interest over or in relation to any Option so transferred or assigned to it in favour of any third party (unless such third party is also a Permitted Transferee and all the conditions in this sub-paragraph 7.1 which shall apply mutatis mutandis to such further transfer or assignment are satisfied); and (ii) will at all times be a Permitted Transferee; and
- (c) a waiver is granted by the Stock Exchange to permit such a transfer or assignment.

Any breach of the foregoing by the Grantee shall entitle the Company to immediately cancel any Option granted to such Grantee (to the extent not already exercised) without the consent of the relevant Grantee.

7.2 An Option may be exercised in the manner as set out in sub-paragraph 7.3 by the Grantee (or his or her legal personal representative(s)) giving notice to the Company or its designated agent stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the written confirmation from the independent financial adviser or the Auditors pursuant to paragraph 11, the Company shall, at its discretion, allot and issue such number of Shares to the Grantee (or his or her legal personal representative(s)) credited as fully paid and/or transfer such number of treasury shares to the Grantee (or his or her legal personal representative(s)) for the satisfaction of the exercise of the Options. Any stamp duty payable for the transfer of the treasury shares shall be borne solely by the Company.

7.3 Subject to as hereinafter provided and such other terms and conditions upon which

such Option is granted, the Option may be exercised in whole or in part at any time during the Option Period provided that:

- (a) in the event of the Grantee ceasing to be a Participant for any reason other than (i) his or her death or (ii) the termination of his or her employment, directorship, office or appointment on one or more of the grounds specified in sub-paragraph 8(d), the Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent vested and exercisable and not already exercised) within the period of 3 months, or such other period as the Board may determine, following the date of such cessation, which date shall be the last actual working day with the Relevant Company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director of the Relevant Company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the Relevant Company shall be conclusive (provided that the transfer of employment, directorship, office or appointment of a Participant from the Relevant Company to another member of the Group, or the retirement of any director by rotation pursuant to the constitutional documents of the Relevant Company at its general meeting, who is re-elected at such general meeting, shall not be regarded as ceasing to be a Participant arising from termination of his or her employment, directorship, office or appointment for the purpose of this paragraph);
- (b) in the event of the Grantee ceasing to be a Participant by reason of death or Disability and none of the events which would otherwise be a ground for termination of his or her employment, directorship, office or appointment under sub-paragraph 8(d) arises, the legal personal representative(s) of the Grantee or the Grantee, as the case may be, shall be entitled within a period of 12 months following the date of death or Disability of the Grantee, or such other period as the Board may determine, to exercise the Option up to the entitlement of such Grantee at the date of death or Disability (to the extent vested and exercisable and not already exercised);
- (c) where the Grantee is a Participant of a Relevant Company at the time of the grant of the relevant Option, in the event that such Grantee shall cease to be a Participant of the Relevant Company but immediately following such cessation becomes, or continues to be, a Participant of another member of the Group, then the Option (to the extent exercisable and not exercised) shall remain exercisable until its expiry in accordance with the provisions of the Scheme and the terms and conditions upon which such Option is granted unless the Board shall determine to the contrary;
- (d) in the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the holders of Shares (or all such holders other than the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (in the case

of a takeover offer) or is approved by the requisite resolutions of shareholders of the Company in general meeting (in the case of a scheme of arrangement), the Company shall forthwith give notice thereof to all Grantees, and thereupon the Grantees may exercise the Options (to the extent exercisable and not already exercised as at the date on which the offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite resolutions of shareholders of the Company in general meeting (in the case of a scheme of arrangement)) either in full or in part at any time up to the close of such offer (or any revised offer) unless the Board shall determine to the contrary (in the case of a takeover offer) or within such period as shall be notified by the Company to the Grantees (in the case of a scheme of arrangement);

- (e) if a compromise or arrangement (including any process having similar effect) between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees on the same date as it despatches the notice which is sent to each shareholder or creditor of the Company summoning a meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his or her legal personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of his or her Options whether in full or in part (to the extent vested and exercisable and not already exercised), but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the Grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and
- (f) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees. Each Grantee (or the Grantee's legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than 2 Business Days prior to the proposed date of the general meeting) exercise all or any of his or her Options (to the extent which has become exercisable and not already exercised), such notice to be accompanied by a

payment for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

7.4 The Shares to be allotted or the treasury shares to be transferred to the Grantee upon the exercise of an Option will be subject to all the provisions of the constitutional documents of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment or transfer 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 and accordingly shall have the same voting, dividend, transfer and other rights, including those arising on a liquidation of the Company as attached to the fully paid Shares in issue as at the date of allotment or transfer and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or transfer 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, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment or transfer, or if later, before the date of registration of the allotment or transfer in the register of members of the Company. No voting rights shall be exercisable and no dividends shall be payable in relation to any Options that have not been exercised. Shares to be allotted or the treasury shares to be transferred to the Grantee upon the exercise of the Options shall not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof.

7.5 The Company shall use all reasonable endeavours to procure that Shares to be issued upon the exercise of an Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on those stock exchanges upon which Shares already in issue are listed save that this obligation will lapse in the event that the listing of the Shares on those stock exchanges is withdrawn following an offer for all or any of the Shares.

## **8. Lapse of Options**

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

- (a) the expiry of the relevant Option Period;
- (b) the expiry of the periods referred to in sub-paragraphs 7.3(a), (b), (c) or (d);
- (c) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in sub-paragraph 7.3(e);

- (d) except as otherwise determined by the Board, the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment, directorship, office or appointment on the grounds that he or she has been guilty of misconduct, or has committed any act of bankruptcy, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which the Relevant Company would be entitled to terminate the Grantee's employment, directorship or office or appointment at common law or pursuant to such laws applicable or under the Grantee's service contract with the Relevant Company. A resolution of the board of directors or governing body of the Relevant Company to the effect that the employment or directorship or office or appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8(d) shall be conclusive;
- (e) subject to sub-paragraph 7.3(f), the date of the commencement of the winding up of the Company;
- (f) the date on which the Grantee commits a breach of sub-paragraph 7.1; or
- (g) the date on which the Option is cancelled by the Board as provided in paragraph 14.

## 9. **Maximum number of Shares available for subscription**

- 9.1 Subject to sub-paragraph 9.2, the total number of Shares which may be issued (including any treasury shares which may be transferred, as applicable) upon exercise of all options and awards (if any) to be granted under the Scheme and any Other Schemes shall not in aggregate exceed 10 per cent of the total number of Shares in issue as at the Adoption Date (excluding treasury shares, if any) (the “**Scheme Mandate Limit**”) provided that 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 this Scheme and Other Schemes under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share. Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 9.2 Subject to sub-paragraph 9.3, the Company may obtain a fresh approval from its shareholders in general meeting for renewing the Scheme Mandate Limit (the “**Renewal Mandate**”) from time to time, provided that:
  - (a) if the Renewal Mandate is sought within three years from the Adoption Date or the date on which the last Renewal Mandate was granted (as the case may be), any controlling shareholders of the Company 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) shall abstain from voting in favour of the relevant resolution at the general meeting; and the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules, unless the Renewal Mandate is sought immediately after an issue of securities by the Company to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon renewal is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share;

- (b) the total number of Shares which may be issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards to be granted under this Scheme and Other Schemes after renewal of the Scheme Mandate Limit shall not exceed 10% of the Shares in issue (excluding treasury shares, if any) as at the date on which the Renewal Mandate is obtained;
- (c) if the Company conducts a share consolidation or subdivision after the Renewal Mandate is obtained, the maximum number of Shares that may be issued in respect of all options and awards to be granted under this Scheme and Other Schemes under the renewed Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share; and
- (d) the Company shall send a circular to its shareholders containing the number of Options that were already granted under the then existing Scheme Mandate Limit and the reason for the renewal.

9.3 The Company may seek separate approval by its shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) provided that:

- (a) the Options in excess of the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) shall be granted only to the Participants specifically identified by the Company before such shareholders' approval is sought;
- (b) the Company shall issue a circular to its shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each such specified Participant, and the purpose of granting Options to each such specified Participants with an explanation as to how the terms of the Options serve such purpose;
- (c) the number and terms of Options to be granted to each such specified Participant shall be fixed before such shareholders' approval; and
- (d) for the purpose of calculating the minimum Exercise Price under paragraph 6 in respect of any Options to be so granted to each such specified Participant,

the date of the Board meeting for proposing such grant shall be taken as the date of the Offer of such Options.

## **10. Maximum entitlement of Shares of each Participant**

10.1 Where any grant of Option to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted under this Scheme and Other Schemes to such Participant (excluding any options and awards lapsed in accordance with the terms of this Scheme and Other Schemes) in the 12-month period up to and including the date of such grant representing in aggregate over one per cent of the Shares (excluding treasury shares, if any) in issue as at the date of such grant, such grant shall be subject to the following requirements:

- (a) approval of the shareholders of the Company in general meeting with such Participant and his or her close associates (or associates if such Participant is a connected person of the Company) abstaining from voting;
- (b) the Company shall send a circular to its shareholders disclosing the identity of such Participant, the number and terms of the further Options to be granted (and those previously granted to such Participant in the 12-month period), the purpose of granting further Options to such Participant and an explanation as to how the terms of the further Options serve such purpose;
- (c) the number and terms of the further Options to be granted to such Participant shall be fixed before the shareholders' approval mentioned in (a) above; and
- (d) for the purpose of calculating the minimum Exercise Price under paragraph 6 in respect of the further Options to be so granted to such Participant in accordance with Rule 17.03E of the Listing Rules, the date of the Board meeting for proposing such grant of further Options shall be taken as the date of the Offer of such Options.

10.2 Without prejudice to paragraph 5:

- (a) any grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive directors (excluding any independent non-executive director who is the proposed Grantee of such Options); and
- (b) 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 under this Scheme or other Schemes (excluding any Options lapsed in accordance with the terms of this 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 (excluding treasury shares, if any), such further grant of Options shall be approved by the shareholders of the Company in general meeting. The Company shall send a circular to its shareholders containing such information as required under the applicable laws and Rule 17.04(5) of the Listing Rules. The relevant Grantee, his or her



associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

## **11. Reorganisation of capital structure**

- 11.1 In the event of capitalization issue, rights issue, consolidation, subdivision, or reduction of the share capital of the Company whilst any Option remains exercisable, excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to:
- (a) the number of Shares subject to the Option so far as unexercised; and/or
  - (b) the Exercise Price.
- 11.2 Any adjustments required under sub-paragraph 11.1 shall be made in accordance with the following requirements:
- (a) the adjustments shall give a Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled; and
  - (b) the adjustments shall be made in accordance with the Listing Rules and any other requirements or guidance by the Stock Exchange from time to time, if applicable.
- 11.3 The capacity of the independent financial adviser or the Auditors in this paragraph 11 is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company.
- 11.4 In respect of any adjustments required under paragraph 11.1 (other than any made on a capitalisation issue), the Auditors or an independent financial adviser appointed by the Company shall certify the Directors in writing that the adjustments satisfy the requirements set out in paragraph 11.2.

## **12. Disputes**

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantee(s) concerned. The costs of the Auditors shall be borne by the Company.

## **13. Alteration of the Scheme**

- 13.1 Any change to the terms of the Options granted to a Grantee (except where the changes take effect automatically under the existing terms of this Scheme) shall be

approved by the Board, the remuneration committee, the independent non-executive directors and/or the shareholders of the Company (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 of the Company (as the case may be).

13.2 This Scheme may be altered in any respect by resolution of the Board save for the following alterations which may be effected only with the prior approval of the shareholders of the Company in general meeting:

- (a) any alterations to the terms and conditions of this Scheme which are of a material nature;
- (b) any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees; and
- (c) any change to the authority of the Board to alter the terms of this Scheme,

provided always that the amended terms of this Scheme shall continue to comply with the relevant provisions of the Listing Rules and any other applicable laws.

13.3 Any change to the authority of the directors of the Company or scheme administrators of the Scheme in relation to any alteration to the terms of the Scheme must be approved by the shareholders of the Company in general meeting.

#### **14. Cancellation of the Options**

Without prejudice to sub-paragraph 7.1, the Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any Option granted but not exercised. Where an Option granted to a Grantee is cancelled and a new grant is made to the same Grantee under this Scheme, such new grant may only be made under the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) available at the time of such new grant. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the renewed Scheme Mandate Limit).

#### **15. Termination of the Scheme**

The Company 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 but in all other respects the provisions of the Scheme shall remain in full force and effect.

#### **16. Miscellaneous**

16.1 The Company shall bear the costs of establishing and administering the Scheme.

16.2 The Company shall promptly provide a Grantee with a copy of the Scheme and all details relating to any change of the terms of the Scheme during the Option Period.

- 16.3 The Scheme shall not form part of any contract of employment, or service contract, or contract of appointment between the Company or any of its Subsidiary and any Participant and the rights and obligations of any Participant under the terms of such Participant's employment, directorship or office or appointment shall not be affected by such Participant's participation in the Scheme or any right which such Participant may have to participate in it and the Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such employment, directorship or office or appointment for any reason.
- 16.4 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.
- 16.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong or as notified to the Grantee from time to time and, in the case of the Grantee, the Grantee's address in Hong Kong as notified to the Company from time to time.
- 16.6 Any notice or other communication served by post:-
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 16.7 All allotments and issues of Shares or transfer of treasury shares will be subject to any necessary consents under any relevant enactment or regulations for the time being in force in Hong Kong or elsewhere. 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 the 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 the Grantee's participation in the Scheme, nor shall the Company owe any liability to any Grantee for the lapse of any Options granted to any Grantee as referred to in paragraph 8.
- 16.8 A Grantee shall pay all tax and discharge other liabilities to which he or she may become subject as a result of his or her participation in the Scheme or the exercise of any Option.
- 16.9 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong in force from time to time.