

**VIVA GOODS COMPANY LIMITED**  
**非凡領越有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*

**SHARE OPTION SCHEME**

**Adopted on 14 July 2025**

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**VIVA GOODS COMPANY LIMITED**  
**RULES OF THE**  
**SHARE OPTION SCHEME**

**1. DEFINITIONS AND INTERPRETATION**

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

<b>“Adoption Date”</b>	the date on which this Scheme is adopted by resolution of the Shareholders in general meeting;
<b>“Allotment/Transfer Date”</b>	means the date on which Shares are allotted to a Grantee or transfer of Treasury Share to the Grantee has been completed pursuant to the exercise of an Option hereunder;
<b>“Applicable Laws”</b>	any relevant laws and regulations of Hong Kong and other relevant jurisdictions (including but not limited to the Listing Rules);
<b>“Articles”</b>	the Articles of Association of the Company, (as amended from time to time);
<b>“associate”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“Auditors”</b>	the auditors for the time being of the Company;
<b>“Board”</b>	the board of Directors;
<b>“Business Day”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“Change in Control”</b>	sale of all or a substantial portion of the Company or Clarks, a sale of all or a substantial portion of the assets of the Company or Clarks, or any merger or other similar corporate transaction that result in a material shift in the control of the Company or Clarks;
<b>“Clarks”</b>	C&J Clark (No 1) Limited, a non-wholly-owned subsidiary of the Company;
<b>“chief executive”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“close associate”</b>	has the meaning ascribed thereto in the Listing Rules;

<b>“Commencement Date”</b>	in respect of any particular Option, the business day on which that Option is deemed to have been granted in accordance with clause 5.7;
<b>“Committee”</b>	a committee comprising Directors and members of the senior management of the Company delegated by the Board with the power and authority to grant Options pursuant to the terms of this Scheme to any Eligible Participant other than the directors or members of the senior management of the Group;
<b>“Company”</b>	Viva Goods Company Limited, a limited liability company incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange with stock code 933;
<b>“connected person”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“controlling shareholder”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“core connected person(s)”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“CWUMPO”</b>	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Disability”</b>	shall have the meaning as defined under the service contract of the relevant Grantee; if it is not so specified in the service contract of the relevant Grantee, the long-term disability policy (if any) of the relevant company to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the relevant company to which the Grantee provides services does not have a long-term disability plan in place, <b>“Disability”</b> shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee in the relevant company 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 to the satisfaction of the Board;
<b>“Eligible Participant”</b>	any director of the Company or any of its Subsidiaries or any Employee;

<b>“Employee”</b>	any employee employed by the Company or any of its Subsidiaries (whether full time or part time), including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with any of such companies;
<b>“Exercise Period”</b>	in respect of any particular Option, the period (which shall not be more than ten (10) years from the Commencement Date) to be notified by the Board to each Grantee which the Board may in its absolute discretion determine;
<b>“Exercise Price”</b>	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms and conditions of this Scheme;
<b>“Grantee”</b>	any Eligible Participant who accepts an Offer pursuant to the terms and conditions of this Scheme or (where the context permits) the Personal Representative of that Eligible Participant (being an individual) or the Permitted Transferee;
<b>“Group”</b>	the Company and its Subsidiaries;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
<b>“Offer”</b>	an offer of the grant of an Option by the Company to an Eligible Participant pursuant to the terms and conditions of this Scheme;
<b>“Offer Letter”</b>	a document containing an Offer to an Eligible Participant pursuant to the terms and conditions of this Scheme;
<b>“Option(s)”</b>	option(s) to subscribe for Share(s) granted pursuant to the terms and conditions of this Scheme;
<b>“Other Schemes”</b>	schemes involving the grant of awards or options over Shares of the Company, other than this Scheme;
<b>“Permitted Transferee”</b>	shall have the meaning ascribed to it in clause 7.1;
<b>“Personal Representative(s)”</b>	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise any

	Option granted to such Grantee (to the extent not already exercised);
<b>“Renewal Mandate”</b>	shall have the meaning ascribed to it in clause 9.2;
<b>“Scheme”</b>	this share option scheme in its present or any amended form;
<b>“Scheme Mandate Limit”</b>	shall have the meaning ascribed to it in clause 9.1;
<b>“Scheme Period”</b>	the period of ten years commencing on the Adoption Date;
<b>“Share(s)”</b>	share(s) with a par value of HK\$0.05 each (or of such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company;
<b>“Shareholder(s)”</b>	holder of the Share(s);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary(ies)”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“substantial shareholder”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“Treasury Shares”</b>	has the meaning ascribed to it under the Listing Rules; and
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong.

- 1.2 In this Scheme, any references, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant statute, provision or rule.
- 1.3 References to any document (including this Scheme) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.4 References herein to Clauses are to clauses in this Scheme unless the context requires otherwise.
- 1.5 Headings are inserted for convenience only and shall not affect the construction of this Scheme.

- 1.6 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 In construing this Scheme:
- 1.7.1 the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- 1.7.2 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## **2. PURPOSE AND CONDITIONS**

- 2.1 The purpose of this Scheme is to recognize and acknowledge the contributions that Eligible Participants have made or may make to the Group, to provide incentives and/or reward to Eligible Participants for their contributions to the Group and/or to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group.
- 2.2 This Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders at a general meeting to approve the Scheme and authorising the Directors to grant Options thereunder and to allot, issue and deal with Shares pursuant to the grant of any Options in accordance with the terms and conditions of this Scheme; and (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be allotted and issued by the Company pursuant to the grant of Options in accordance with the terms and conditions of this Scheme.

## **3. DURATION AND ADMINISTRATION**

- 3.1 Subject to clause 15, this Scheme shall be valid and effective for the Scheme Period (after which no further Options will be granted or accepted), but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto and otherwise as may be required in accordance with the provisions of this Scheme.
- 3.2 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.3 Subject to the guidelines or instructions given by the Board from time to time (which shall be binding on the Committee), the Committee is delegated by the Board with the power and authority to grant Options pursuant to the terms of this Scheme to any Eligible Participant other than the directors or members of the senior management of the Group.
- 3.4 Nothing in clause 3.3 shall prejudice any power of the Board under this Scheme or derogate from the discretion rested with the Board as contemplated under clause 3.2.

- 3.5 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the provisions of this Scheme.

#### **4. ELIGIBILITY CRITERIA**

- 4.1 In determining the basis of eligibility for Eligible Participants, the factors in assessing whether any person is eligible to participate in this Scheme include: (i) the performance of the such Eligible Participants; (ii) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) their seniority and length of engagement with the Group; and (iv) their contribution or potential contribution to the development and growth of the Group.
- 4.2 In order for a person to satisfy the Board that he is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his or her eligibility (or continuing eligibility).
- 4.3 Subject to clause 7, a Grantee shall continue to qualify as an Eligible Participant during the period when any Option granted to him remains outstanding, or otherwise the Company would (subject to the Applicable Laws) be entitled to deem any outstanding Option or any part thereof, granted to such Grantee and to the extent not already exercised, as lapsed.
- 4.4 For the purpose of clauses 5 and 7, an Eligible Participant who is a director of any member of the Group shall not be regarded as ceasing to be an Eligible Participant by reason of his or her retirement as a director of the relevant company by rotation at general meeting if he is re-elected as a director at the same general meeting pursuant to the articles of association or bye-laws of that company.

#### **5. GRANT OF OPTION**

- 5.1 On and subject to the terms of this Scheme, the Board or the Committee (as the case may be) shall be entitled at any time and from time to time during the Scheme Period (provided that no Options shall be granted after the expiration of the Scheme Period or after this Scheme has been terminated (if applicable)) to grant (subject to acceptance by the Grantee in accordance with the terms of this Scheme) to any Eligible Participant who, the Board or the Committee (as the case may be) may determine in its absolute discretion, is regarded as valuable human resources of the Group who has made important contributions to the development of the Group, and subject to such conditions as the Board or the Committee (as the case may be) may think fit Options to subscribe for such number of Shares as the Board or the Committee (as the case may be) may determine at the Exercise Price Provided That no such grants shall be made except to such number of Eligible Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof; and will not result in the breach by the Company or its Directors of any applicable securities laws and regulations or in any filing or other requirements.



- 5.2 The Board or the Committee (as the case may be) shall not offer to grant an Option to any Eligible Participant:
- 5.2.1 after inside information (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time) has come to its knowledge until (and including) the trading day after the Company has announced such information pursuant to the relevant requirements of the Applicable Laws; or
  - 5.2.2 during the period commencing one month immediately before 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, or quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of such results announcement or during any period of delay in publication of a results announcement.
- 5.3 A grant of an Option shall be made to an Eligible Participant by an Offer Letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Grantee) is made) in such form as the Board or the Committee (as the case may be) may from time to time determine.
- 5.4 Subject to the provisions of this Scheme and the Applicable Laws, the Board may, on a case-by-case basis and at its absolute discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in this Scheme as it may think fit (which shall be stated in the Offer Letter) including (without prejudice to the generality of the foregoing):
- (a) the continuing eligibility of the Grantee under this Scheme, and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements of clause 7;
  - (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of clause 7;
  - (c) the vesting period of the Options which shall not be less than 12 months, save and except that Options to be granted to an Eligible Participant may be subject to a vesting period of less than 12 months (or no vesting period) in the following circumstances:
    - (i) grants of "make-whole" or "sign-on" Options to Eligible Participants to replace the share awards or share options they forfeited when leaving their previous employers or to attract the Eligible Participants to join the Group;

- (ii) grants to an Eligible Participant whose employment is terminated due to death or Disability or occurrence of any out-of-control event;
  - (iii) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
  - (iv) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
  - (v) grants of Options with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of 12 months; or
  - (vi) in the event of the Grantee being an Eligible Participant at the time of the grant of the relevant Option ceasing to be an Eligible Participant by reason of (i) death; or (ii) Disability or (iii) the Grantee's resignation without a good reason as defined under his service contract, and none of the events which would be a ground for termination of his/her employment or office specified in clause 8.5 or for "Cause" as defined in the service contract of the relevant Grantee has occurred, then, if it is so specified in the Offer Letter to the Grantee as a term of the relevant Options, if the Grantee ceases to be an Eligible Participant under the aforementioned circumstances, and (i) he meets the relevant performance target by the date of cessation, the Options which may be vested to him for the relevant year shall be fully vested to such Grantee; or (ii) he cannot meet the relevant performance target by the date of cessation, the Options which may be vested to him for the relevant quarter which termination takes place shall be vested to such Grantee or such other period at the sole discretion of the Board; or;
  - (vii) in the event there is a Change in Control within 12 months from the date of grant of the relevant Options to the Grantee, if it is so specified in the Offer Letter to the Grantee as a term of the relevant Options, all Options granted to the Grantee shall be fully vested.
- (d) conditions, restrictions or limitations relating to the achievement of operating or financial targets of the Group and/or individual performance targets of the Grantees. Save as determined by the Board and provided in the Offer Letter, there is no performance target which must be achieved before an Option can be exercised under the terms of this Scheme or clawback mechanism for grant of Options.
- (e) Where no performance targets are to be imposed upon Grantee in the relevant offer letter of the grant of the Options, the Board would have considered the Grantee's past contributions to the Group in determining the grant of the Options to such Grantee which would serve as a reward to the Grantee for his/her past contributions to the Group. Where performance targets are to be imposed upon Grantees in the relevant Offer Letter of the grant of Options, the Board aims to incentivize the Grantee to continue to contribute to the Group. In determining the performances target, the

Board may have regard to the purpose of this Scheme with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets, which may include but not limited to, earnings; earnings per share; profits; return on assets; return on equity; sales; revenue; Share price; total Shareholder return, and/or performance of Eligible Participant(s); and such other goals as the Board may determine from time to time. The Board will compare the actual performance against the performance target when vesting the Options to the Grantees. The Board may also at its absolute discretion impose performance target on vesting of Options in case the Grantee ceases to be an Eligible Participant as a result of termination of his employment or appointment and specify the same in the Offer Letter as a term of the relevant Options;

- (f) (if applicable) clawback mechanism under which upon the occurrence of any of the following in relation to the Grantee, the Board may propose that no further Options shall be granted to such Grantee and shall clawback the Options granted to such Grantee and such Options (to the extent not already exercised) shall lapse automatically:
- (i) the Grantee has failed to perform duties effectively or is involved in misconduct or malfeasance or has breached any non-competition or non-disclosure agreement entered into with the Group;
  - (ii) the Grantee has contravened the relevant laws and regulations of the applicable jurisdiction and/or the provisions of the Articles;
  - (iii) the Grantee has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company;
  - (iv) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission or has been convicted of any criminal offence; or
  - (v) the Grantee has failed to discharge, or failed to discharge properly, his/her duties or fail to comply with the Company's internal policy and/or his/her employment agreement and thereby resulting in serious loss in asset to our Company and other serious and adverse consequence.

- 5.5 The grant shall be personal to the Eligible Participant concerned and not transferable and shall remain open for acceptance by the Eligible Participant for a period of 28 days from the date of the Offer Letter, provided that no such grant shall be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after Offer has been made. Notwithstanding any provision of this clause 5.5, no such grant shall be open for acceptance after the expiry of the Scheme Period or after this Scheme has been terminated (if applicable).

- 5.6 The Offer Letter shall state, in addition to the matters specified (but without prejudice to the generality of clause 5.4), the following:
- 5.6.1 the name and address of the Eligible Participant;
  - 5.6.2 the number of Shares to which the Options to be granted to the Eligible Participant relates;
  - 5.6.3 the procedure for acceptance of the Option and the last date by which the Offer shall be accepted, which shall be not earlier than three Business Days after the date of the Offer, except that for any Offer which is made within the last three Business Days before the expiry of the life of this Scheme, the Offer shall remain open for acceptance on a Business Day by the Eligible Participant concerned for a period of no longer than the remaining life of this Scheme;
  - 5.6.4 the Exercise Period;
  - 5.6.5 the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
  - 5.6.6 without prejudice to the generality of clause 5.4, such other terms and conditions of the Option as may be imposed by the Board or the Committee at its discretion either on a case-by-case basis or generally as are not inconsistent with this Scheme; and
  - 5.6.7 a statement 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 this Scheme.
- 5.7 An Option shall be regarded as having been accepted when the duplicate of the Offer Letter or an acceptance letter duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) by way of consideration for the grant thereof is received by the Company within the period referred to in clause 5.5. The remittance shall not be refundable. Once accepted, the Option shall be deemed to have been granted as from the date on which it was offered to the relevant Eligible Participant (the “**Commencement Date**”). No Offer shall be capable of or open for acceptance after the expiry of ten (10) years from the Adoption Date.
- 5.8 Unless otherwise stated in the Offer Letter, any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate Offer Letter or the acceptance letter and accepted by the Grantee in the manner specified in clause 5.7. To the extent that the grant of an Option is not accepted within 28 days from the Commencement Date in the manner indicated in clause 5.7, the grant will be deemed to have been irrevocably declined and shall lapse.
- 5.9 Where any grant of Option is proposed to be made to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of

their respective associates, such grant must first be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Option).

- 5.10 Without prejudice to the generality of clause 5.9, where any grant of Option is proposed to be made to an Eligible Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, which would result in the Shares issued and which may fall to be issued upon the exercise of such Option proposed to be granted and all other options and awards granted under this Scheme or Other Schemes (excluding any Options lapsed in accordance with the terms of the schemes) 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 number of Shares in issue (excluding any Treasury Shares), such further grant of Options shall be approved by the Shareholders 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.

## **6. EXERCISE PRICE**

- 6.1 The Exercise Price shall be determined by the Board or the Committee (as the case may be) and notified to an Eligible Participant at the time the grant of the Option(s) is made to (and subject to acceptance by) the Eligible Participant and shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of Offer (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 five Business Days immediately preceding the date of Offer.

## **7. EXERCISE OF OPTIONS**

- 7.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing, 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

clause 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 this clause 7.1 shall entitle the Company to cancel any outstanding Option, or any part thereof, in favour of such Grantee to the extent not already exercised without the consent of the relevant Grantee.

7.2 Subject to the relevant Exercise Period and other terms and conditions of the grant, an Option may be exercised in whole or in part (but if in part only, in respect of a board lot of Shares dealing on the Stock Exchange or an integral multiple thereof) in the manner provided in clause 7 and the Offer Letter (or, as the case may be, by his/her Personal Representative(s)) by giving notice in writing to the Company and/or its nominee or agent that the Option is thereby exercised and the number of Shares in respect of which it is exercised. For the purposes of determining the date on or by which an Option is or has been exercised under this Scheme, an Option shall be regarded as exercised when a notice of exercise has actually been received by the Company and/or its nominee or agent. Unless otherwise provided in the Offer Letter, subject to compliance with applicable laws and regulations (including the Listing Rules), the Exercise Price shall be paid by cash. Within 28 days after receipt of the notice, where appropriate, receipt of the independent financial adviser's or the Auditors' confirmation pursuant to clause 10.1, the Company shall, at its sole discretion, allot and issue such number of Shares to the Grantee credited as fully paid and/or transfer such number of Treasury Shares to the Grantee for satisfaction of the exercise of the Option. Any stamp duty payable for the transfer of the Treasury Shares shall be borne solely by the Company.

7.3 Subject to the Applicable Laws and as hereinafter provided in this Scheme, an Option may be exercised by the Grantee in accordance with the terms of the Offer Letter and the provisions of this Scheme at any time during the applicable Exercise Period  
Provided That:-

7.3.1 in the event of the Grantee being an Eligible Participant at the time of the grant of the relevant Option ceasing to be an Eligible Participant for any reason (including the Grantee's resignation with a good reason as defined under the terms of his service contract or termination of his employment by the Group with advanced 6 month notice after first anniversary of his appointment pursuant to the Grantee's service contract), other than his/her death or Disability, or the Grantee's resignation without a good reason as defined under his service contract, and the termination of his/her employment or office on one or more of the grounds specified in clause 8.5 or for Cause as defined in the service contract of the relevant Grantee, then, the Options shall be vested in accordance with either paragraph (a) or (b) below which will be specifically provided in the Offer Letter of the Grantee:

(a) all Options vested on the date which the Grantee ceases to be an Eligible Participant shall remain exercisable for the Exercise Period and all unvested Options shall remain eligible to be vested by reference to the achievement of the performance target in accordance

with the vesting schedule as set out in the Offer Letter and shall be eligible for exercise during the Exercise Period;

- (b) if the Exercise Period has not at the date of such cessation commenced, the Option shall lapse; and if the Exercise Period has commenced, the Grantee may exercise the Option (to the extent exercisable but not already exercised) until the earlier of (i) the date of expiry of the Exercise Period or (ii) the last day of the period of 3 months from the date of such cessation, which date shall be the last actual day of employment or office with the Company or the relevant Subsidiary (or such longer period as the Board may determine or as set out in the Offer Letter);

7.3.2 in the event of the Grantee being an Eligible Participant at the time of the grant of the relevant Option ceasing to be an Eligible Participant by reason of death or Disability or the Grantee's resignation without a good reason as defined under his service contract and none of the events which would be a ground for termination of his/her employment or office specified in clause 8.5 or for Cause as defined in the service contract of the relevant Grantee has occurred, then, the Options shall be vested in accordance with either paragraph (a) or (b) below which will be specifically provided in the Offer Letter of the Grantee:

- (a) if the Grantee ceases to be an Eligible Participant under the aforementioned circumstances under clause 7.3.2, and (A) he meets the relevant performance target by the date of cessation, the Options which may be vested to him for the relevant year shall be fully vested to such Grantee; or (B) he cannot meet the relevant performance target by the date of cessation, the Options which may be vested to him for the relevant quarter which termination takes place shall be vested to such Grantee or such other period at the sole discretion of the Board. The Options vested in accordance with this clause 7.3.2(a) shall remain eligible for exercise during the Exercise Period;
- (b) if the Exercise Period has not at the date of such cessation commenced, the Option shall lapse; and if the Exercise Period has commenced, the Grantee or the Personal Representative(s) of the Grantee shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option until the last day of the period of 12 months from the date of cessation (or such longer period as the Board may determine or as set out in the Offer Letter);

7.3.3 in the event there is a Change in Control takes place after 12 months from the date of the grant of Options and within 12 months before or after the date the Grantee ceasing to be an Eligible Participant (other than for reason of death, Disability or a voluntary resignation without a good reason as defined in terms of the service contract of the Grantee), if it is so specified in the Offer Letter as a term of the relevant Options, all Options granted to the Grantee shall be

fully vested and the Options shall remain eligible to be exercised during the Exercise Period;

- 7.3.4 subject to clause 7.3.3 above, if a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members 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 concert with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, the Options shall be vested in accordance with either (a) or (b) below which will be specifically provided in the Offer Letter of the Grantee:
- (a) the Grantee (or his/her Personal Representative(s)) shall be entitled to exercise the Option in full or in part (to the extent exercisable and not already exercised) at any time 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; or
  - (b) the Options shall continue to vest in accordance with the vesting schedule;
- 7.3.5 in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company 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 each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this clause 7.3.5) and thereupon, each Grantee (or his/her Personal Representatives) shall be entitled to exercise all or any of his/her Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) at any time not later than four Business Days prior to the proposed general meeting of the Company and the Company shall as soon as possible and, in any event, no later than one 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; and
- 7.3.6 in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving such a compromise or arrangement, the Company shall forthwith after it despatches such notice to each member of the Company give notice thereof to all Grantees (such notice to specify the record date for ascertaining entitlements to attend and vote at the proposed general meeting, together with a notice of the existence of the provisions of this clause 7.3.6) and thereupon, each Grantee (or his/her Personal Representative(s)) shall



be entitled to exercise all or any of his Options (to the extent exercisable and not already exercised as at the date of the notice to the Grantee) at any time not later than five Business Days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company and the Company shall as soon as possible and, in any event, no later than the record date for ascertaining entitlements to attend and vote at 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 the Applicable Laws and all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the Allotment/Transfer Date and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment/Transfer 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 on or before the Allotment/Transfer Date. The rights of the Shares are not attached to those Options before the exercise of such Options.
- 7.5 A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.
- 7.6 For the purposes of clause 7.3.1 a Grantee shall not be regarded as ceasing to be an Eligible Participant if he ceases to hold a position of employment or office with the Company or any particular Subsidiary but at the same time he takes up a different position of employment or office with the Company or another Subsidiary, as the case may be.
- 7.7 Without prejudice to the generality of the foregoing, the Grantee may only exercise an Option subject to any restrictions as may be reasonably imposed by the Board from time to time with a view to ensuring or facilitating compliance with any Applicable Laws, in particular those relating to insider dealing and other prohibitions under the Listing Rules.

## **8. LAPSE OF OPTION**

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

- 8.1 the expiry of the Exercise Period;
- 8.2 the expiry of any of the periods referred to in clauses 7.3.1 to 7.3.4;
- 8.3 subject to clause 7.3.5, the date of the commencement of the winding-up of the Company;
- 8.4 save as otherwise provided in clause 7.3.4 or 7.3.5 or by the court in relation to the scheme in question, upon the sanctioning by the court of competent jurisdiction of a compromise or arrangement between the Company and its members or creditors 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;

- 8.5 the date on which the Grantee ceases being an Eligible Participant as determined by the Board by reason of the termination of his or her employment or office on any one or more of the grounds that he or she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his or her employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary or termination of his or her employment or office for "Cause" as defined in the service contract of the relevant Grantee. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this clause 8.5 or that one or more of the grounds specified in this clause 8.5 has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's Personal Representative(s); or
- 8.6 where the Grantee commits a breach of clause 7.1, the date on which the Board shall exercise the Company's right to cancel the Option; and
- 8.7 the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria as may be prescribed pursuant to clause 5.4(a).

## **9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 9.1 Subject to clauses 9.2 and 9.3, the total number of Shares which may be issued (including transfer of Treasury Shares, if any) in respect of all options and awards to be granted under this Scheme and Other Schemes shall not exceed 10% of the Shares in issue as at the Adoption Date (excluding any Treasury Shares) (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 clause 9.3, the Company may seek approval by 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 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 as at the date on which the Renewal Mandate is obtained (excluding any Treasury Shares);
- (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 and awards 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 Eligible 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 Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such specified Eligible Participant, and the purpose of granting Options to each such specified Eligible Participant 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 Eligible Participant shall be fixed before such shareholders' approval; and
- (d) for the purpose of calculating the minimum Exercise Price under clause 8 in respect of any Options to be so granted to each such specified Eligible Participant, the date of the Board meeting for proposing such grant shall be taken as the date of the Offer of such Options.

9.4 Where any grant of Option to an Eligible 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 Eligible 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 1% of the Shares in issue as at the date of such grant (excluding any Treasury Shares), such grant shall be subject to the following requirements:

- (a) approval of the shareholders of the Company in general meeting with such Eligible Participant and his or her close associates (or associates if such Eligible 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 Eligible Participant, the number and terms of the further Options to be granted (and Options and awards previously granted to such Eligible Participant in the 12-month period), the purpose of granting further Options to such Eligible 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 Eligible Participant shall be fixed before the shareholders' approval mentioned in (a) above; and
- (d) for the purpose of calculating the minimum Exercise Price under clause 6 in respect of the further Options to be so granted to such Eligible Participant, 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. REORGANISATION OF CAPITAL STRUCTURE**

- 10.1 In the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding in that it is granted and yet to be exercised (and has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in:

10.1.1 the number of Shares subject to outstanding Options; and/or

10.1.2 the Exercise Price in relation to each outstanding Option;

Provided That any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this clause 10.1, other than any made on a capitalization issue, an independent financial adviser or the Auditors must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso. The capacity and role of the independent financial adviser or the Auditors pursuant to this clause 10.1 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.

- 10.2 If there has been any alteration in the capital structure of the Company as referred to in clause 10.1, the Company shall within 28 days after receipt of a confirmation of the independent financial adviser or the Auditors as referred to in clause 10.1, inform the Grantee of such alteration and of any adjustment to be made in accordance with the independent financial advisers' or the Auditors' confirmation obtained by the Company for such purposes.

## **11. SHARE CAPITAL**

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

## **12. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors or an independent financial adviser who shall act as experts and not as arbitrators and whose decision in the absence of manifest error shall be final, conclusive and binding on all persons who may be affected thereby.

## **13. CANCELLATION**

- 13.1 The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.
- 13.2 Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options 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 utilized for the purpose of calculating the Scheme Mandate Limited (or the renewed Scheme Mandate Limited).

## **14. ALTERATION OF THIS SCHEME**

- 14.1 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).
- 14.2 This Scheme may be altered in any respect by resolution of the Board except that the provisions of this Scheme as to:

- 14.1.1 any alterations to the terms and conditions of this Scheme which are of a material nature;
- 14.1.2 any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants; and
- 14.1.3 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.

## **15. TERMINATION**

The Company by resolution passed at a general meeting of its Shareholders or at a meeting of the Board may at any time terminate the operation of this Scheme and in such event no further Options will be granted or accepted but the provisions of this Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of this Scheme. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with this Scheme.

## **16. MISCELLANEOUS**

- 16.1 The Company shall bear the costs of establishing and administering this Scheme.
- 16.2 This Scheme shall not form part of any contract of employment or office between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his/her employment or office shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such employment or office for any reason.
- 16.3 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any member of the Group directly or indirectly or, other than in relation to the rights attached to the Options themselves, give rise to any cause of action at law or in equity against any member of the Group.
- 16.4 A Grantee shall be entitled to receive for information only copies of all notices and other documents sent by the Company to holders of Shares generally.
- 16.5 Any notice or other communication served:
  - 16.5.1 by the Company shall be deemed to have been served 24 hours after the same was sent by pre-paid post or delivered by hand or by courier or by fax or by e-mail to the address, fax number or e-mail address of the Grantee (as the case may be) as notified to the Company or its Subsidiary by which such Grantee is employed or of which he/she serves as a director from time to time; and

- 16.5.2 by the Grantee shall not be deemed to have been received until the same shall have been received by the Company at its principal place of business in Hong Kong from time to time.
- 16.6 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, acceptance and/or exercise of the Option. By accepting an Offer of the grant of an Option or exercising his or her Option, the Grantee thereof is deemed to have represented to the Company that he or she has obtained all such consents and shall indemnify the Company in full against any loss, claim, penalty, demand, liability, costs and expenses made against or incurred by the Company in respect of a breach by the Grantee of such representation or failure to obtain such consents. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 16.7 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his or her participation in this Scheme or the exercise of any Option.
- 16.8 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.