

TOP SPRING INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

Adopted on [●]2022

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SHARE OPTION SCHEME

1. **DEFINITIONS**

1.1 In this Scheme, the following expressions have the following meanings:

“Adoption Date”	means [●] 2022 (the date on which this Scheme is conditionally adopted by a resolution of the shareholders of the Company in general meeting);
“Allotment Date”	means the date on which Shares are allotted and issued to a Grantee pursuant to the exercise of the rights attaching to an Option granted and exercised hereunder;
“Applicable Laws”	means any relevant laws and regulations (including those of both Hong Kong and overseas jurisdictions as may be applicable);
“Associate”	shall have the 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 a duly authorised committee thereof;
“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;
“Commencement Date”	means, in respect of any particular Option, the Business Day on which that Option is deemed to have been granted in accordance with clause 6.4;
“Companies Law”	means the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time;
“Companies Ordinance”	means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as consolidated, amended or

	supplemented from time to time;
“Company”	means Top Spring International Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 25 August 2009;
“Consultant”	means a person who, pursuant to a contract for services, renders services to the Group which are commonly rendered by an employee of— (i) the Group; or (ii) a company belonging to the class of companies which predominantly carry out the same kind of business as the Group;
“Connected Person”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“Disability”	means 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 furnishes proof of such impairment sufficient to satisfy the Board in its discretion;
“Effective Date”	means the date on which the conditions referred to in clause 3.1 are fulfilled;
“Eligible Participant”	means any person who satisfies the eligibility criteria in clause 5;
“Employee”	means any employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time);
“Exercise Period”	means, in respect of any particular Option, the period to be notified by the Board to each Grantee which the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the Commencement Date;
“Exercise Price”	means the price per Share at which a Grantee may subscribe for Shares upon the exercise of an Option pursuant to the terms and conditions of this Scheme;
“Grantee”	means any Eligible Participant who accepts the Offer in

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accordance with the terms of this Scheme, and where the context permits, any person who is entitled to any such Option in consequence of the death of the original Grantee (being an individual);

“Group”	means the Company and its Subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Offer”	means an offer by the Company to an Eligible Participant to accept an Option in accordance with this Scheme;
“Option(s)”	means right(s) to subscribe for Share(s) granted pursuant to this Scheme;
“Scheme”	means this Share Option Scheme in its present or any amended form to be adopted by the Company on the Adoption Date;
“Scheme Mandate Limit”	shall have the meaning given to that term in clause 11.1 of the Scheme;
“Share(s)”	means fully paid share(s) of HK\$0.10 each of the Company (or such other nominal amount prevailing from time to time);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	means a subsidiary or subsidiaries (within the meaning of the Companies Ordinance) for the time being and from time to time of the Company; and
“Substantial Shareholder”	shall have the meaning ascribed to it under the Listing Rules.

1.1 In this Scheme:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references to clauses are to clauses of this Scheme;

- (c) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporate; and
- (d) references to any ordinance or law shall include any statutory modification, amendment or re-enactment thereof.

2. PURPOSE OF THE SCHEME

R17.03(1)

- 2.1** The purpose of this Scheme is to motivate the Eligible Participants to optimise their future performance and efficiency for the benefit of the Group; attract and retain talents or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are expected to be beneficial to the Group; and recognise and acknowledge the past contributions that Eligible Participants have made to the Group.

3. CONDITIONS

- 3.1** This Scheme shall take effect subject to the passing of the necessary resolution to approve and adopt this Scheme by the shareholders of the Company in a general meeting of the Company and is conditional upon the Stock Exchange granting approval for the listing of and permission to deal in any Shares to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme. R17.02(1)(a)
- 3.2** If any of the above conditions is not satisfied on or before 31 December 2022 (or such later date as the shareholders of the Company may agree), this Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.
- 3.3** References in clause 3.1 to the Stock Exchange granting the approvals, listing and permission referred to therein shall include where such approvals, listing and permission are granted subject to conditions.

4. DURATION AND ADMINISTRATION

- 4.1** Subject to clauses 3 and 16, this Scheme shall be valid and effective for a R17.03(11)

period of 10 years commencing on the Effective Date, after which no further Options will be issued 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 or otherwise as may be required in accordance with the provisions of this Scheme.

4.2 This Scheme shall be subject to the administration of the Board or any committee established by the Board from time to time, whose decision (save as otherwise provided herein) shall be final and binding on all parties. Without prejudice to the generality of the foregoing, the Board shall, subject to Applicable Laws, have the absolute discretion to:

- (a) interpret and construe the provisions of this Scheme;
- (b) subject to such relevant requirements under the Listing Rules, determine the persons who will be awarded Options under this Scheme, and the number of Shares under which each Option to be awarded and Exercise Price of Options awarded thereto;
- (c) determine the Exercise Period and other relevant terms and conditions for each Option;
- (d) subject to clause 15, make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary;
- (e) subject to clause 15, adopt rules and regulations for carrying out this Scheme;
- (f) prescribe the form or forms of instruments to be issued as evidence of any Options granted under this Scheme; and
- (g) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

5. ELIGIBILITY CRITERIA

5.1 The Board may at its absolute discretion grant Options to: (i) any director,

R17.03(2)

Employee, Consultant of the Group.

- 5.2** 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 eligibility (or continuing eligibility).
- 5.3** Each grant of Options to a Connected Person of the Company, or any of his Associates, must be approved in accordance with the requirements of the Listing Rules.
- 5.4** Any person whom the Board has resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Option granted to him remains outstanding. In assessing such Grantee's continuing eligibility under this Scheme, the requirements set out in clause 5.1 and the views, if any, of the independent non-executive Directors shall be given due and careful consideration by the Board.
- 5.5** Should the Board resolve that a Grantee fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under this Scheme as referred to in clause 5.4, the Company would (subject to Applicable Laws) be entitled to deem any outstanding Option or part thereof, granted to such Grantee and to the extent not already exercised, as lapsed and cancelled, subject to the requirements of clause 9.

6. GRANT OF OPTIONS

- 6.1** On and subject to the terms of this Scheme, the Board shall be entitled at any time on a Business Day within 10 years commencing on the Effective Date to make an Offer to any Eligible Participant as the Board may in its absolute discretion select in accordance with clause 5.
- 6.2** An Offer shall be made to an Eligible Participant in such written form as the Board may from time to time determine. Such Offer shall specify the Exercise Price, the Exercise Period and the other relevant terms and conditions of the Option, and shall require the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to

R17.03(11)

be bound by the provisions of this Scheme and all other conditions attaching to the Offer and shall remain open for acceptance by the Eligible Participant concerned for a period of not less than 21 Business Days from the date of Offer, except for any Offer which is made within the last 21 Business Days 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 not longer than the remaining life of this Scheme. An Offer cannot be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after the Offer has been made. No Offer shall be capable of or open for acceptance after the expiry of 10 years from the Effective Date.

6.3 The written document for granting the Offer shall state, in addition to the matters specified in (but without prejudice to the generality of) clause 6.2, the following:

- (a) the name and address of the Eligible Participant;
- (b) the last date by which the Offer must be accepted;
- (c) the manner of payment of the Exercise Price for the Shares on the exercise of the Option and the Exercise Period;
- (d) the procedure for acceptance;
- (e) without prejudice to the generality of clause 6.6, such other terms and conditions of the Offer as may be imposed by the Board at its discretion either on a case-by-case basis or generally as are not inconsistent with this Scheme including (without limitation) in the event that the Eligible Participant is a corporation (wherever incorporated or unincorporated), that any change of the management and/or shareholding of the Eligible Participant shall constitute a breach of this Scheme; and
- (f) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme.

R17.03(6)

6.4 An Offer shall be accepted when the Company receives the duly signed Offer

R17.03(8)

letter from the Grantee together with a non-refundable payment of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof. Once accepted, the Option is granted as from the date on which it was offered to the relevant Eligible Participant.

6.5 Unless otherwise stated in the terms of the Offer, any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner set out in clause 6.2, it shall be deemed to have been irrevocably declined and lapsed automatically without notice.

6.6 Subject to the provisions of this Scheme, the Listing Rules and Applicable Laws, the Board may, on a case-by-case basis and at its discretion when making an Offer, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in this Scheme attaching to the Option(s) as it may think fit (which shall be stated in the letter containing the Offer) including (without prejudice to the generality of the foregoing):

R17.03(7)

- (a) the continuing eligibility of the Grantee under this Scheme, and in particular, where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent that it has not already been exercised) shall lapse and be cancelled, subject to the requirements of clause 9;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, and where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such terms and conditions, the Option (to the extent that it has not already been exercised) shall lapse and be cancelled unless otherwise resolved to the contrary by the Board, subject to the requirements of clause 9;
- (c) in the event that the Eligible Participant is a corporation (wherever incorporated or unincorporated), that any change of the management and/or shareholding of the Eligible Participant shall

constitute a failure to meet the continuing eligibility criteria under this Scheme;

- (d) in the event that the Eligible Participant is a trust, that any change of the beneficiary of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under this Scheme;
- (e) in the event that the Eligible Participant is a discretionary trust, that any change of the discretionary objects of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under this Scheme; and
- (f) if applicable, the satisfactory performance of certain obligations by the Grantee.

6.7 Without prejudice to the generality of the foregoing and subject to the Listing Rules and clause 8, the Board may grant Options in respect of which the Exercise Price is fixed at different prices for different periods during the Exercise Period.

6.8 The Company may not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, it may not grant any Option during the period commencing one month immediately before the earlier of:

R17.05

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's 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, 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.

No Option may be granted during any period of delay in publishing a results

announcement.

- 6.9** Notwithstanding that the Grantees shall not have any rights in connection with the Company until the relevant Options have been exercised (either in part or in full), the Company may, in compliance with Applicable Laws, provide to each Grantee during the period for which such Grantee has one or more Options outstanding, copies of financial statements annually.

7. GRANT OF OPTIONS TO CONNECTED PERSONS OR ANY OF THEIR ASSOCIATES

- 7.1** Without prejudice to clause 6, any grant of Options to any Director, Chief Executive or Substantial Shareholder or any of their respective Associates must be approved by the independent non-executive Directors of the Company (but excluding, for all purposes, any independent non-executive Director of the Company who is a proposed Grantee). R17.04(1)

- 7.2** Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company, or their respective Associates, would result in the total number of the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant: R17.04(1)

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the shareholders of the Company. The Company must send a circular to its shareholders. All Connected Persons must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll in accordance with the Listing Rules.

- 7.3** The circular referred to in clause 7.2 must contain: R17.04(3)

- (a) details of the number and terms (including the Exercise Price) of

the Options to be granted to each Eligible Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price under clause 8;

- (b) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is a proposed Grantee) on whether or not to vote in favour of the proposed grant; and
- (c) all the information as required under the Listing Rules from time to time.

7.4 For the avoidance of doubt, the requirements of clause 7 for the granting of Options to a Director or Chief Executive of the Company do not apply where the Eligible Participant is only a proposed Director or proposed Chief Executive of the Company.

8. EXERCISE PRICE

8.1 Subject to any adjustment made pursuant to clause 12, the Exercise Price for any Share under this Scheme shall be a price determined by the Board in its sole and absolute discretion at the time of grant of the relevant Option and notified to each Grantee (in the letter containing the Offer) but in any case the Exercise Price shall not be less than the highest of:

R17.03(9)

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

8.2 In the event the Shares cease to be listed on the Stock Exchange, the Exercise

Price in connection with Options granted to a Grantee shall be determined by the Board in good faith and in a manner consistent with all Applicable Laws including, without limitation, any requirement that consideration be given to (i) the price at which securities of reasonably comparable corporations (if any) in the same industry are being traded, or (ii) if there are no securities of reasonably comparable corporations in the same industry being traded, the earnings history, book value and prospects of the Company in light of market conditions generally.

9. EXERCISE OF OPTIONS

- 9.1** Subject to the terms of this Scheme and the Listing Rules, an Option granted under this Scheme shall be personal to the respective Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised. R17.03(17)
- 9.2** Subject to the relevant Exercise Period and the other terms and conditions of the Offer, an Option shall be exercised in whole or in part by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Any notice given without such relevant remittance shall be invalid. Within 21 Business Days (excluding any period(s) of closure of the Company's share registers) after receipt of the notice together with remittance of the relevant Exercise Price in full and, where appropriate, receipt of the Auditors' certificate or the independent financial adviser's certificate pursuant to clause 12, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted and issued. R17.03(5)
R17.03(6)
- 9.3** Subject to Applicable Laws and as hereinafter provided, an Option may be exercised by the Grantee at any time during the applicable Exercise Period, provided that: R17.03(12)

- (a) in the event of death of the Grantee (being an individual) before exercising the Option in full, his legal personal representatives may exercise the Option up to the Grantee's entitlement (to the extent exercisable as at the date of his death and not exercised) within the period of 12 months following his death or such longer period as the Board may determine;
- (b) subject to sub-clauses (c) and (d), in the event of the Grantee who is an Employee ceasing to be an Employee for any reason other than his death, Disability or the termination of his employment on one or more of the grounds specified in clause 10(f), the Grantee may exercise the Option (to the extent exercisable as at the date of the relevant event and not exercised) within 30 days following such cessation;
- (c) where the Grantee is a director, Employee, consultant, of the Group at the time of the grant of the relevant Option(s) and his employment or service to the Company is terminated on the ground of Disability, the Grantee may exercise the Option (to the extent exercisable as at the date on which such Grantee ceases to be a director, Employee, consultant of the Group and not exercised) within 6 months following such cessation or such longer period as the Board may determine;
- (d) where the Grantee is an Employee at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a consultant, of the Group, then the Option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) shall be exercised within 3 months following the date of such cessation or such longer period as the Board may determine;
- (e) where the Grantee is an Employee at the time of the grant of the relevant Option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a director of the Group, then the Option(s) (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) granted prior to the date of his becoming a director of the Group

shall remain exercisable until its expiry in accordance with the provisions of this Scheme and the terms and conditions upon which such Option(s) is granted unless the Board shall determine to the contrary;

- (f) in the event of the Grantee, who is a director or consultant of or contractor to the Group but not an Employee, ceasing to be a director or consultant of the Group for any reason other than his death (in the case of a Grantee being an individual) or Disability (in the case of a Grantee being a director or consultant of the Group), the Option (to the extent exercisable as at the date of such cessation and not exercised) shall be exercised within 30 days following the date of such cessation or such longer period as the Board may determine;
- (g) if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Hong Kong Code on Takeovers and Mergers), the Grantee shall be entitled to exercise the Option (to the extent exercisable as at the date on which the general offer becomes or is declared unconditional and not exercised) in full or in part at any time within one month after the date on which the offer becomes or is declared unconditional (within the meaning of the Hong Kong Code on Takeovers and Mergers);
- (h) in the event notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than seven Business Days (excluding any period(s) of closure of the

Company's share registers) prior to the proposed meeting) exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise; and

- (i) 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 or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme of arrangement, and thereupon the Grantee may, by notice in writing to the Company accompanied by the remittance for the total Exercise Price payable in respect of the exercise of the relevant Option (such notice to be received by the Company not later than seven Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the Option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the Business Day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

9.4 The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the articles of association of the Company in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the Allotment Date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or

R17.03(15)

made if the record date therefor shall be on or before the Allotment Date. No Grantee shall be entitled to any rights attaching to the Shares until the name of the Grantee has been duly entered into the register of members of the Company as the holder thereof.

- 9.5** 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, mandatory rules and/or regulations binding on the Company, particularly those relating to insider dealing and other prohibitions under the Listing Rules.

R17.03(10)

10. LAPSE OF OPTION

An Option (to the extent that such Option has not already been exercised) shall lapse and not be exercisable on the earliest of:

R17.03(12)

- (a) the expiry of the Exercise Period;
- (b) the expiry of any of the periods referred to in clauses 9.3(a), (b), (c), (d), (e) and (f);
- (c) the date of commencement of the winding-up of the Company in respect of the situation contemplated in Clause 9.3(h);
- (d) the date on which the proposed compromise or arrangement becomes effective in respect of the situation contemplated in clause 9.3(i);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment or contract for service on the grounds that he/she has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty. A resolution of the Board to the effect that the employment or contract for service of a Grantee has or has not been terminated on one or more of the grounds specified in this clause 10(e) shall be conclusive and binding on the Grantee;

- (f) the happening of any of the following events, unless otherwise waived by the Board:
 - (i) there is unsatisfied judgment, order or award outstanding against the Grantee or the Company has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
 - (ii) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-clauses (i) above;
 - (iii) a bankruptcy order has been made against the Grantee in any jurisdiction; or
 - (iv) a petition for bankruptcy has been presented against the Grantee in any jurisdiction;
- (g) the date on which a situation as contemplated under clause 9.1 arises;
- (h) the date on which the Grantee commits a breach of any terms or conditions attached to the Offer, unless otherwise resolved to the contrary by the Board; or
- (i) 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 6.6(a).

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 11.1** Subject to clauses 11.2, 11.3 and 11.4, the maximum number of Shares in respect of which Options may be issued upon exercise of all options to be granted under this Scheme and any other schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company shall not in aggregate exceed 10% of the Shares in issue as at the date of

R17.03(3)
Note 1

approval of this Scheme (the “**Scheme Mandate Limit**”) unless approved by the shareholders of the Company pursuant to clause 11.3. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

11.2 Subject to clauses 11.3 and 11.4, the Scheme Mandate Limit may be refreshed by the shareholders of the Company in general meeting from time to time provided always that the Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue as at the date of approval of such refreshment by shareholders of the Company in general meeting. Options previously granted under this Scheme and any other share options schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of this Scheme or any other share option schemes of the Company or exercised options) shall not be counted for the purpose of calculating whether the refreshed Scheme Mandate Limit to be refreshed. A circular must be sent to the shareholders of the Company containing such information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.

R17.03(3)
Note 1

11.3 Subject to clause 11.4, the Board may seek separate shareholders’ approval in general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. The Company must issue a circular to the shareholders of the Company containing such information from time to time as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.

R17.03(3)
Note 1

11.4 The maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under this Scheme and any other schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything contrary to the terms of this Scheme, no Options may be granted under any schemes of the Company (including this Scheme) if this will result in the said 30% limit being exceeded.

R17.03(3)
Note 2

11.5 No Option may be granted to each Eligible Participant (including both exercised and outstanding Options) which would result in the total number

R17.03(4)

of Shares issued and to be issued upon exercise of the Options granted to such Eligible Participant in any 12- month period up to and including the date of such further grant exceeding 1% in aggregate of the Shares in issue. Any further grant of further Options above this limit shall be subject to the following requirements:

- (a) separate approval of the shareholders of the Company at general meeting, with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a connected person) abstaining from voting;
- (b) a circular in relation to the proposal for such further grant having been sent by the Company to its shareholders with such information from time to time as required by the Listing Rules;
- (c) the number and terms (including the Exercise Price) of the Options to be granted to such proposed Grantee shall be fixed before the shareholders' approval mentioned in (a) above; and
- (d) for the purpose of calculating the minimum Exercise Price for the Shares in respect of the further Options proposed to be so granted as described under clause 8, the date of board meeting for proposing such grant of further Options shall be taken as the date of Offer of such Options.

11.6 The maximum number of Shares referred to in clause 11 shall be adjusted, in such manner as the Auditors or the independent financial adviser appointed by the Company shall certify as fair and reasonable in accordance with clause 12.

12. REORGANISATION OF CAPITAL STRUCTURE

12.1 In the event of any alteration in the capital structure of the Company while an Option remains exercisable, and such event arises from a capitalisation issue, rights issue, sub-division or consolidation of shares of the Company or reduction of the share capital of the Company, such corresponding alterations (if any) shall be made in:

R17.03(13)

- (a) the number or nominal amount of Shares subject to the Options so far as unexercised; and/or
- (b) the Exercise Price; and/or
- (c) the maximum number of Shares referred to in clause 11.

Any adjustments required under this clause must give a Grantee the same proportion of the equity capital as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value or (unless with prior approval from the Company's shareholders in general meeting) to the extent that such adjustments are made to the advantage of the Grantee. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser appointed by the Company or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this clause.

- 12.2** Any adjustments required under this clause 12 shall comply with the Listing Rules and the supplementary guidance on the interpretation of the Listing Rule issued by the Stock Exchange from time to time including but not limited to the "Frequently asked questions on adjustments of the exercise price of share options" (FAQ 072-2020).
- 12.3** The costs of the Auditors or the independent financial adviser appointed by the Company relating to this Scheme shall be borne by the Company.
- 12.4** In giving any certificate under this clause 12, the Auditors or the independent financial adviser appointed by the Company shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

13. SHARE CAPITAL

The exercise of any Option shall be subject to the members of the Company in a general meeting approving any necessary increase in the 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.

14. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, (where applicable) whether all or part of the Option has been vested, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding on the Grantee.

15. ALTERATION OF THIS SCHEME

15.1 This Scheme may be altered in any respect by resolution of the Board except those specific provisions relating to matters set out in Rule 17.03 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the shareholders of the Company in general meeting.

R17.03(18)

15.2 Any alterations to the terms and conditions of this Scheme which are of a material nature must be approved by the shareholders of the Company in general meeting, except where such alterations take effect automatically under the existing terms of this Scheme.

15.3 Any change to the authority of the Directors or the administrators of this Scheme in relation to any alteration to the terms of this Scheme must be approved by shareholders of the Company in general meeting.

15.4 The amended terms of this Scheme or the Options must continue to comply with the relevant requirements of Chapter 17 of the Listing Rules as may be amended from time to time.

15.5 Subject to this clause 15, the Board may at any time alter, amend or modify the terms and conditions of this Scheme such that the provisions of this Scheme would comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary by the Board to implement the terms of this Scheme.

16. TERMINATION

16.1 The Company by resolution in general meeting or the Board may at any time terminate the operation of this Scheme and in such event, no further Options will be offered but the provisions of this Scheme shall remain in force in all other respects. R17.03(16)

16.2 Options complying with the provisions of the Listing Rules which are granted during the life of this Scheme but not yet exercised and not yet expired immediately prior to the termination of the operation of this Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of this Scheme. R17.03(16)

17. CANCELLATION

The Board shall have the absolute discretion to cancel any Options granted at any time if the Grantee so agreed provided that where an Option is cancelled and a new Option is proposed to be issued to the same Grantee, the issue of such new Option may only be made with available but unissued Shares in the authorised share capital of the Company, and available ungranted Options (excluding for this purpose all cancelled Options) within the limits referred to in clause 11. R17.03(14)
Note

18. MISCELLANEOUS

18.1 This 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.

18.2 The Company shall bear the costs of establishing and administering this

Scheme.

- 18.3** A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to its shareholders.
- 18.4** 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 principal place of business in Hong Kong from time to time and, in the case of the Grantee, his address or fax number or e-mail address as notified to the Company from time to time.
- 18.5** Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or delivered by hand or by courier or by fax or by internet to the e-mail address of the Grantee as notified to the Company from time to time; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 18.6** 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 or exercise of his Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme.
- 18.7** By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant subject to the provisions of this Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 18.8** This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.