

ANTA Sports Products Limited
(Incorporated in the Cayman Islands with limited liability)

2023 SHARE OPTION SCHEME

Adopted by an ordinary resolution passed by
the shareholders of the Company
at the annual general meeting of the Company
on [day] [month] 2023

1. DEFINITIONS AND INTERPRETATION

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

“Acceptance Date”	the date upon which an offer of an Option must be accepted by the relevant Eligible Participant, being a date not later than 30 Business Days after the Grant Date;
“Adoption Date”	[*] 2023, being the date on which the Scheme is adopted by the Shareholders at the annual general meeting of the Company;
“Allotment Date”	the date on which Shares are allotted to a Grantee (or any other person so permitted pursuant to the Scheme) pursuant to the Option(s) granted and exercised hereunder;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“associated company(ies)”	in relation to a member(s) of the Group, its subsidiary(ies), holding company(ies), subsidiary(ies) of such holding company(ies), or associate(s) or joint venture(s) as classified under applicable financial reporting standards of the Company;
“Auditors”	the auditors or independent financial advisor appointed by the Company;
“Bankruptcy Ordinance”	the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time;
“Board”	the board of directors of the Company and, if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme;
“Business Day(s)”	any day(s) (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities;
“Cancellation Date”	in respect of an Option, the effective date of cancellation of the Option in whole or in part as specified in the notice in writing given by the Board to the Grantee in accordance with Paragraph 13;
“chief executive”	has the meaning ascribed to it under the Listing Rules;

“Clawback”	in respect of any Options granted to a Selected Participant, the repayment of money in relation to all or a specified part of such Options and/or Option Shares allotted and issued upon exercises of such Options by such Selected Participant and/or the ceasing or variation of the Selected Participant’s entitlement to receive or be vested with all or a specified part of any such Options which have not yet been vested in the Selected Participant, pursuant to Paragraph 5.4 hereof;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	ANTA Sports Products Limited (安踏體育用品有限公司), a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange with stock code 2020;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Culpable Termination”	termination of the employment of an Employee Participant or a Related Entity Participant (as the case may be) on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	any Employee Participant(s), Related Entity Participant(s) or Service Provider(s), provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories;
“employee(s)”	in relation to a company, its full-time or part-time employee(s), or person(s) for the time being seconded to work full-time or part-time for such company;

“Employee Participant(s)”	director(s) or employee(s) of the Company or any other member(s) of the Group (including a person who is granted Options under the Scheme as an inducement to enter into employment contracts with the Company or the relevant member(s) of the Group);
“Exercise Period”	in respect of an Option, the period within which an Option may be exercised by the Grantee as the Board may in its absolute discretion determine and which shall not be more than ten (10) years from the Grant Date of the Option;
“Exercise Price”	the price per Share at which a Grantee may subscribe for a Share on the exercise of an Option pursuant to the Scheme;
“Grant Date”	the date of the Board resolution approving the grant of Options, which must be a Business Day;
“Grant Letter”	has the meaning ascribed to it in Paragraph 5.8 hereof;
“Grantee(s)”	any Selected Participant(s) who accepts the offer of the grant of Option(s) in accordance with the rules of the Scheme or (in the case of Selected Participant(s) being individual(s) and where the context so permits) the legal personal representative(s) entitled to any such Option(s) in consequence of the death of the relevant Selected Participant(s);
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them;
“holding company”	has the meaning ascribed to it under the Listing Rules;
“Hong Kong” or “Hong Kong SAR”	the Hong Kong Special Administrative Region of the PRC;
“inside information”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Option(s)”	option(s) to subscribe for Share(s) granted pursuant to the Scheme and for the time being subsisting;

“Option Share(s)”	Share(s) to which any particular Option relates;
“PRC”	the People’s Republic of China;
“Related Entity(ies)”	any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company;
“Related Entity Participant(s)”	any director(s) or employee(s) of Related Entity(ies);
“Remuneration Committee”	the remuneration committee of the Company;
“Scheme”	the “2023 Share Option Scheme” constituted by the rules hereof, in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed to it in Paragraph 9.1 hereof;
“Selected Participant(s)”	any Eligible Participant(s) selected by the Board pursuant to Paragraph 5.1 for participation in the Scheme;

<p>“Service Provider(s)”</p>	<p>any person(s) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including any of the following persons:</p> <p>(a) person(s) or entity(ies)(as independent contractor(s), consultant(s), advisor(s) or otherwise) that provide(s) support or any advisory, consultancy, professional or other services to any members of the Group, including but not limited to support or services in relation to design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies;</p> <p>(b) supplier(s) of goods or services to any members of the Group; and</p> <p>(c) business partner(s), including joint venture partner(s), franchisee(s), contractor(s), agent(s) or other contractual party(ies), of any members of the Group, including but not limited to partners of brand businesses development, franchisees of retail stores, contractors for marketing campaigns, quality control procedures, manufacturing operations or systems establishment, and agents relating to sale channels or platforms;</p> <p>provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Providers for the purpose of the Scheme;</p>
<p>“Service Provider Sublimit”</p>	<p>a sublimit under the Scheme Mandate Limit for grants of options and awards to Service Providers, and has the meaning ascribed to it in Paragraph 9.1 hereof;</p>
<p>“SFO”</p>	<p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);</p>

“Share(s)”	ordinary share(s) of HKD0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Vesting Period”	in respect of an Option, the minimum period for which an Option must be held before it can be vested as the Board may in its absolute discretion determine;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong SAR; and
“%”	per cent.

1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to paragraphs are to paragraphs of the Scheme. Unless the context otherwise requires, 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 unincorporated.

2. PURPOSES AND ELIGIBILITY

2.1 The purposes of the Scheme are:

- (a) to recognise and reward for the past contributions by Eligible Participants;
- (b) to retain or otherwise maintain on-going relations with Eligible Participants;
- (c) to give the Eligible Participants an opportunity to have a personal stake in the Company and help motivate Eligible Participants to optimise their future contributions to the Group; and
- (d) to attract suitable personnel for further growth and development of the Group.

2.2 Subject to the terms of the Scheme, the Board shall be entitled at any time during the life of the Scheme to offer the grant of any Option to any Eligible Participant as the Board may in its absolute discretion select.

- 2.3 The basis of determining the eligibility of each Eligible Participant, including the criteria for determining a person's eligibility under each category of Eligible Participant, shall be at the sole discretion of the Board:
- (a) for Employee Participants – the Board shall take into consideration the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group;
 - (b) for Related Entity Participants – the Board shall take into consideration the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted or given towards the success of the Group, and the amount of potential support, assistance, guidance, advice, efforts and contributions that the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future; and
 - (c) for Service Providers – the Board shall take into consideration the individual performance of the Service Provider, track record and quality of services provided to the Group, scale of business dealings with the Group, actual or potential contribution to the Group's revenue or profit which is or may be attributable to the Service Provider, the remuneration packages of comparable listed peers for similar Service Providers based on available information in the industry. In addition, the Board shall also take into consideration: (a) in assessing whether a Service Provider provides services to the Group on a continuing or recurring basis, the length and type of services provided and the recurrences and regularity of such services; and (b) in assessing whether a Service Provider provides services to the Group in the ordinary and usual course of business, the materiality and nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group (such as whether they relate to the core business of the Group and whether such services could be readily replaced by third parties).

3. CONDITIONS PRECEDENT

- 3.1 The Scheme shall come into effect on the date on which the following conditions are fulfilled:
- (a) the approval by the Shareholders for the adoption of the Scheme in general meeting; and
 - (b) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme.
- 3.2 If the permission referred to in Paragraph 3.1(b) is not granted within two (2) calendar months after the Adoption Date:
- (a) the Scheme will forthwith terminate;
 - (b) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect;

- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme or any Option; and
- (d) the Board may devise another share option scheme for adoption by the Company.

4. DURATION AND ADMINISTRATION

- 4.1 Subject to the fulfilment of the conditions under Paragraph 3 and any early termination provisions under Paragraph 16, the Scheme shall be valid and effective commencing on the Adoption Date and for a period of ten (10) years. Upon the expiry of the Scheme as aforesaid, no further Options will be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.
- 4.2 The Scheme shall be subject to the administration of the Board in accordance with the rules of the Scheme. The decision of the Board with respect to any matter arising under the Scheme (including the interpretation of any provision) shall be final and binding on all parties. The Board may delegate any or all of its powers in relation to the Scheme to any of its committees.

5. GRANT OF OPTIONS

- 5.1 Subject to the terms of the Scheme, the Board shall be entitled at any time within ten (10) years from the Adoption Date at its absolute discretion to select any Eligible Participant for participation in the Scheme as a Selected Participant and to offer the grant of an Option to any Selected Participant to subscribe at the Exercise Price for such number of Shares as the Board may (subject to Paragraph 9) determine provided that:
 - (a) no Options shall be granted under the Scheme after the termination of the Scheme in accordance with Paragraph 16;
 - (b) no Options shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant laws or regulations applicable to the Company;
 - (c) no Options shall be granted if the grant would result in a breach by the Company or its directors of relevant laws or regulations (including those relating to securities); and
 - (d) any Option, once issued, shall not be reissued under the Scheme.
- 5.2 Subject to the provisions of the Listing Rules and the Scheme, the Board may in its absolute discretion (a) when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Scheme as the Board may think fit (to be stated in the Grant Letter) including (without prejudice to the generality of the foregoing) (i) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the Grantee, (ii) the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or (iii) the time or period before all or some of the Options shall be vested, and (b) at any time after the grant of an Option, waive or amend such conditions, restrictions or limitations to the advantage of the Grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Scheme.
- 5.3 In respect of a Related Entity Participant or a Service Provider, unless otherwise determined by the Board and specified in the Grant Letter, there is no performance target which needs to be achieved by the Group and/or Grantee before the Options can be vested. In respect of an Employee Participant, unless otherwise determined by the Board and specified in the Grant

Letter, the Group and/or Grantee shall achieve the performance target(s) set out in the Grant Letter before the Options can be vested. The performance targets of Options granted to the Directors and senior management of the Company, and any grants of Options to the Directors and senior management of the Company without performance targets, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.

- 5.4 Where there has been an occurrence of misconduct such as (a) any material misstatements or omissions in the Group's financial statements by a Grantee; (b) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (c) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (d) conviction of any criminal offence by a Grantee involving integrity or honesty; or (e) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group, the Options or the Option Shares may be subject to Clawback as determined by the Board from time to time. The Clawback of the Options or the Option Shares granted to the Directors and senior management of the Company and any grants of Options to the Directors and senior management of the Company without Clawback, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules.
- 5.5 Where any grant of Option is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director) or senior management of the Company, such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.
- 5.6 Subject to Paragraph 9,
- (a) any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options);
 - (b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under the Scheme and any other schemes of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares, such grant of Options shall be approved by Shareholders in general meeting in the manner as set out in Paragraph 5.6(c) below;
 - (c) in the circumstances described in Paragraph 5.6(b) above, the Company shall send a circular to the Shareholders containing such details and information as required under the Listing Rules. The Grantee, his 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 relevant requirements under the Listing Rules;
 - (d) any change in the terms of Options granted to a Selected Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by Shareholders in the manner as set out in Paragraph 5.6(c) above if the initial grant of the Options requires such approval under the Listing Rules (except where the changes take effect automatically under the existing terms of the Scheme);

- (e) the requirements for the grant to a Director or chief executive of the Company as set out in this Paragraph 5.6 do not apply where the Selected Participant is only a proposed director or a proposed chief executive of the Company; and
- (f) in general, the Company should not grant Options with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

5.7 No Options shall be granted by the Board where dealings in the Shares are prohibited under any code or requirement of the Listing Rules (including but not limited to Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Listing Rules), the SFO, all applicable laws and any internal code of conduct in securities dealing adopted by the Company from time to time. Without limiting the generality of the foregoing, no such Options shall be granted:

- (a) after an event involving inside information in relation to the affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until (and including) the trading day after such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules or such inside information has otherwise ceased to exist;
- (b) during the period of sixty (60) days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (c) during the period of thirty (30) days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results;
- (d) during the period commencing one (1) month immediately before the earlier of:
 - (i) 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
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),
 and ending on the date of the results announcement;
- (e) during any period of delay in publishing a results announcement of the Company; and
- (f) in any circumstance where such option is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

- 5.8 If in accordance with Paragraph 5.1 the Board determines to offer the grant of an Option to a Selected Participant, the Board shall forward to the relevant Selected Participant an offer letter (the “**Grant Letter**”) specifying:
- (a) the Selected Participant’s name (and where the Selected Participant is not a natural person, the name of its ultimate beneficial owner);
 - (b) the Selected Participant’s address;
 - (c) the category of Selected Participant, and the relationship between the Selected Participant and the Company (and where the Selected Participant is a Related Entity Participant or Service Provider, the nature of services provided to the Company);
 - (d) the Grant Date;
 - (e) the Acceptance Date, and the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Paragraph 5.10;
 - (f) the number of Shares in respect of which the Option is offered;
 - (g) the Exercise Price, and the manner of payment of the Exercise Price of the Shares on and in consequence of the exercise of the Option;
 - (h) the Exercise Period, and the method of exercise of the Option which shall, unless the Board otherwise determines, be as set out in Paragraph 8.1;
 - (i) the Vesting Period of the Option;
 - (j) the performance targets attached to the Option (if any); and
 - (k) such other terms and conditions relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the rules and procedures applicable to the Scheme,

and requiring the Selected Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

- 5.9 An offer of the grant of an Option shall remain open for acceptance by the Selected Participant concerned for a period of 30 Business Days from the Grant Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme stated in Paragraph 4.1 or after the Scheme has been terminated in accordance with Paragraph 16. An Option shall be deemed to have been granted and accepted by the Selected Participant and to have taken effect when the duplicate Grant Letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HKD1.00 by way of consideration for the grant thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.
- 5.10 Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered such number is clearly stated in the duplicate Grant Letter comprising acceptance of the offer of the Option in the manner as set out in Paragraph 5.9 above. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

6. EXERCISE PRICE

6.1 Subject to the provisions of the Listing Rules, the Exercise Price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the Grant Letter) but in any event the Exercise Price shall not be less than whichever is the highest of:

- (a) the nominal value (if any) of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Grant Date.

7. VESTING PERIOD

7.1 Subject to Paragraph 7.2, the vesting of any Option shall be subject to a Vesting Period to be determined by the Board in its absolute discretion, which shall be specified in the Grant Letter.

7.2 Only insofar as and for so long as the Listing Rules require, the Vesting Period for an Option under the Scheme shall not be less than twelve (12) months, unless the Board determines in its sole discretion that the Options granted to Employee Participants may be less than twelve (12) months under the following specific circumstances:

- (a) grants of "make-whole" Options to an Employee Participant who is a new director or employee of the Group to replace the share options such person forfeited when leaving his previous employer(s);
- (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Options which are subject to the fulfilment of performance targets as conditions of the Options;
- (d) grants of Options made in batches during a year for administrative and compliance reasons;
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
- (f) grants of Options with a total vesting and holding period of more than twelve (12) months.

8. EXERCISE OF OPTIONS

8.1 An Option shall be exercised in whole or in part within the Exercise Period in the manner as set out in Paragraphs 8.3 and 8.4 by the Grantee (or any other person so permitted pursuant to the Scheme) by giving notice in writing to the Company in the manner to the satisfaction to the Company and stating that the Option is thereby exercised and specifying 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 aggregate Exercise Price for the Shares in respect of which the notice is given. In general, within thirty (30) days after receipt of the notice, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or any other person so permitted pursuant to the Scheme) credited as fully paid with effect from (but excluding) the

relevant exercise date and issue to the Grantee (or any other person so permitted pursuant to the Scheme) share certificate(s) in respect of the Shares so allotted.

8.2 The exercise of any Option shall be subject to the approval of Shareholders in general meeting for any necessary increase in the authorised share capital of the Company.

8.3 Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Exercise Period, provided that:

- (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, he (or his legal personal representative(s)) may exercise the Option up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of twelve (12) months following his death or permanent disability or such longer period as the Board may determine;
- (b) in the event that the Grantee ceases to be (i) an Employee Participant by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time or (ii) a Related Entity Participant by reason of his retirement pursuant to such retirement scheme applicable to the Related Entity (as the case may be), and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Exercise Period;
- (c) in the event that the Grantee ceases to be (i) an Employee Participant by reason of his transfer of employment to a Related Entity or (ii) a Related Entity Participant by reason of his transfer of employment to the Group (as the case may be), his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (d) in the event that the Grantee ceases to be an Employee Participant or a Related Entity Participant (as the case may be) for any reason (including his employing company ceasing to be a member of the Group or a Related Entity) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group or a Related Entity (as the case may be) at the relevant time or the transfer of his employment to a Related Entity or the Group (as the case may be) or the termination of his employment with the relevant member of the Group or a Related Entity (as the case may be) by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Employee Participant or a Related Entity Participant (as the case may be) by reason of Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified of the termination of his employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving

that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(e) shall be final and conclusive;

- (f) if:
 - (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Participant;
 - (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(f) shall be final and conclusive;

- (g) if a Grantee (being a corporation):
 - (i) becomes dissolved or put into liquidation (including voluntary winding-up or de-registration) or has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee;
 - (ii) whose business license or registration has been revoked;
 - (iii) has suspended, ceased or threatened to suspend or cease business;
 - (iv) is unable to pay its debts or otherwise becomes insolvent;
 - (v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
 - (vi) commits a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or threatened suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or otherwise becomes insolvent or on the date of notification by the Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (vi) of this Paragraph within such period as the Board may in its absolute discretion determine

following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(g) shall be final and conclusive;

- (h) if a Grantee (being an individual):
 - (i) has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by the Company, any member of the Group or any Related Entity, and whether or not it has resulted in his employment or engagement being terminated by the Company, the relevant member of the Group or the Related Entity (as the case may be);
 - (ii) has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
 - (iii) has made any arrangement or composition with his creditors generally;
 - (iv) has been convicted of any criminal offence;
 - (v) has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong SAR or any other jurisdictions; or
 - (vi) commits a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (vi) of this Paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(h) shall be final and conclusive;

- (i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider

such a compromise or arrangement and thereupon each Grantee (or his legal personal representatives or receiver) may until the expiry of the earlier of:

- (i) the Exercise Period;
- (ii) the period of two months from the date of such notice; or
- (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.

Except insofar as exercised in accordance with this Paragraph 8.3(j), all Options outstanding at the expiry of the relevant period referred to in this Paragraph 8.3(j) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (k) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, 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 and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in the manner to the satisfactory to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee (or any other person so permitted pursuant to the Scheme) credited as fully paid.

8.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing issued and fully paid Shares commencing from (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date.

8.5 No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the Scheme, unless and until the Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to the Scheme) as the holder thereof.

8.6 The outstanding Options granted may not be exercised if all or part of the exercise of the Options will result in the holding of the total issued Shares by the public falling below twenty-five per cent (25%) (or such other percentage stipulated under the Listing Rules or permitted by the Stock Exchange).

8.7 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group or the Related Entity (as the case may be), no Option can be vested until such suspension has been lifted.

9. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

9.1 Subject to Paragraphs 9.2 to 9.7,

(a) the Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares as at the Adoption Date; and

(b) the Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Provider under the Scheme and any other schemes of the Company, and shall not in aggregate exceed two per cent (2%) of the total number of issued Shares as at the Adoption Date.

9.2 Options or awards lapsed in accordance with the rules of the Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

9.3 The maximum numbers set out in Paragraph 9.1 above shall be adjusted, in such manner as the Auditors shall certify in writing to the Board to be fair and reasonable in the event of any alteration to the capital structure of the Company in accordance with Paragraph 14 below whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company but shall not in any event exceed the limits imposed by the Listing Rules. Any such adjustment shall give the Grantees the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement.

9.4 The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three (3) years from (i) the Adoption Date; or (ii) the date of the Shareholders' approval for the last refreshment (as the case may be).

9.5 Only insofar as and for so long as the Listing Rules require, any refreshment within any three (3)-year period shall be approved by the Shareholders, subject to the following provisions:

(a) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favour of the relevant resolution at the general meeting; and

(b) the Company shall comply with the applicable requirements under the Listing Rules.

9.6 The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of issued Shares as at the date of the Shareholders' approval for the refreshment. The Company shall send to the Shareholders a

circular containing the details and information required under the Listing Rules, including the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.

- 9.7 The Company may seek separate approval from the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Selected Participants specifically identified by the Company before such approval is sought. The Company shall issue a circular to the Shareholders containing the details and information required under the Listing Rules, including the name of each specified Selected Participant who may be granted such Options, the number and terms of the Options to be granted to each Selected Participant and the purpose of granting Options to the specified Selected Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of such Options must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

10. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

- 10.1 Subject to Paragraph 5.6(b), where any grant of Options to a Selected Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued Shares, such grant of Options shall be approved by the Shareholders in general meeting with such Selected Participant and his close associates (or associates if such Selected Participant is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders containing the details and information required under Paragraph 10.2 and the Listing Rules.
- 10.2 The circular shall disclose the identity of the Selected Participant, the number and terms of the Options to be granted (and those previously granted to such Selected Participant in the 12-month period), the purpose of granting Options to such Selected Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Selected Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

11. TRANSFERABILITY OF OPTIONS

- 11.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee for estate planning or tax planning as permitted by the Stock Exchange or under the Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. LAPSE OF OPTION

- 12.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:
- (a) the expiry of the Exercise Period;
 - (b) the expiry of any of the period referred to Paragraph 8.3;

- (c) subject to Paragraph 8.3, the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts;
- (e) 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 Paragraphs 8.3(h) or 12.1(d); or
- (f) a bankruptcy order has been made against any director or shareholder of the Grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

13. CANCELLATION OF OPTIONS

- 13.1 The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):
- (a) the Grantee commits or permits or attempts to commit or permit a breach of Paragraph 11.1 or any terms or conditions attached to the grant of the Option;
 - (b) the Grantee makes a written request to the Board for the Option to be cancelled; or
 - (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.
- 13.2 The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.
- 13.3 Where the Company cancels Options granted to a Selected Participant, and makes a new grant to the same Selected Participant, such new grant may only be made under the Scheme with available Scheme Mandate Limit approved by the Shareholders in the manner as set out in Paragraph 9.

14. REORGANISATION OF CAPITAL STRUCTURE

- 14.1 In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (or any other actions which may have an impact on the share capital of the Company, other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:
- (a) the maximum number of Shares subject to the Scheme; and/or

- (b) the aggregate number of Shares subject to the Options so far as unexercised; and/or
- (c) the Exercise Price of each outstanding Option

provided that the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares immediately before and after such alteration to the capital structure of the Company shall be the same, rounded to the nearest whole share.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the Auditors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules, provided that:

- (a) any such adjustments shall give a Selected Participant the same proportion of equity capital, rounded to the nearest whole share, as that to which that Eligible Participant was previously entitled to, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this Paragraph (a);
- (b) any such adjustments shall be made on the basis that the aggregate Exercise Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the Auditors in Paragraph 14.1 is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

- 14.2 If there has been any alteration in the capital structure of the Company as referred to in this Paragraph 14, the Company shall, upon receipt of a notice from the Grantee in accordance with Paragraph 8.1, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors to issue a certificate in that regard in accordance with Paragraph 14.

15. SHARE CAPITAL

- 15.1 Subject to Paragraph 9.1, the Board shall at all times set aside for the purposes of the Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of the Option.

16. TERMINATION

16.1 The Scheme shall terminate on the earlier of:

- (a) the tenth (10th) anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by the Shareholders in general meeting provided that such termination shall not materially and adversely affect any subsisting rights of any Grantees.

16.2 Upon termination of the Scheme as aforesaid, no further Options shall be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant Exercise Period, subject to and in accordance with the Scheme.

17. ALTERATION TO THE SCHEME

17.1 Subject to Paragraph 17.2, the Scheme may be altered in any respect by a resolution of the Board.

17.2 The following shall not be carried out except with the prior approval of the Shareholders in general meeting by ordinary resolution:

- (a) any alterations to the terms and conditions of the Scheme which are material in nature or any alterations to the provisions of the Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants;
- (b) any change to the authority of the Board to alter the terms of the Scheme; and
- (c) any alteration to Paragraph 17,

provided always that the amended terms of the Scheme or the Options shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

17.3 Any change to the terms of Options granted to a Grantee shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent nonexecutive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Scheme.

18. DISPUTES

18.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Board and whose decision shall be final, conclusive and binding on all persons who may be affected thereby.

19. TAXATION AND WITHHOLDING

19.1 A Grantee shall bear all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Scheme or the exercise of any Option.

- 19.2 The Company or any subsidiary shall be entitled to withhold, and any Grantee shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with Paragraph 19.1.
- 19.3 The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any subsidiary receive advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such subsidiary any tax deduction resulting from the occurrence of such event.
- 19.4 The Company or any subsidiary may, by notice to the Grantee and subject to any rules as the Board may adopt, require that the Grantee pay at the time of the Option an amount estimated by the Company or any subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Option.

20. MISCELLANEOUS

- 20.1 The Company shall bear the costs of establishing and administering the Scheme.
- 20.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its members at the same time or within a reasonable time of such notices or documents being sent, which shall be made available to him during normal office hours at the principal office of the Company in Hong Kong SAR.
- 20.3 Any notices (except for the notice set out in Paragraphs 8.1 in relation to the exercise of an Option), documents or other communication between the Company and a Grantee shall be in writing and may be sent by prepaid post or by personal delivery to, in the case of the Company, its principal office in Hong Kong SAR or otherwise notified to the Grantees from time to time and, in the case of the Grantee, his address in Hong Kong SAR or the PRC as notified to the Company or as agreed between the Company and the Grantee from time to time.
- 20.4 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 if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 20.5 All allotments and issues of Shares pursuant to the Scheme shall be subject to any necessary consents or approval under the relevant laws, enactments or regulations for the time being in force in the Cayman Islands or elsewhere and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of his Option. By accepting an offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.

- 20.6 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 20.7 The Scheme shall not form part of any existing contract between the Company or any subsidiary or any Related Entity and any Employee Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment or engagement shall not be affected by his participation in it and the Scheme shall afford such an Employee Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason.

21. GOVERNING LAW

- 21.1 The Scheme shall operate subject to the articles of association of the Company and any applicable law and regulations to which the Company is subject.
- 21.2 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.