



SILKWAVE INC
中播數據有限公司

(incorporated in the Cayman Islands with limited liability)

(the “Company”)

SHARE OPTION SCHEME

**Adopted by ordinary resolution of
all members of the Company
passed on 30 May 2023**

SILKWAVE INC
中播數據有限公司

SHARE OPTION SCHEME

1. DEFINITIONS

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 Person, being a date not later than 21 days after the Offer Date;
“Adoption Date”	the date on which this Scheme is adopted by the shareholders of the Company subject to this Scheme being unconditional;
“Affiliate Company”	a Controlling Shareholder of the Company or a Subsidiary or an associate of a Controlling Shareholder;
“Allotment Date”	the date on which Shares are allotted to a Grantee (or his legal representatives) pursuant to the Option granted and exercised hereunder;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associate”	shall have the same meaning ascribed to it under the Listing Rules;
“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 or a duly authorised committee thereof;
“Board Lot”	the board lot in which the Stock Exchange is open for the business of dealing in securities;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Commencement Date”	in respect of any particular Option, the Business Day on which the Option is deemed to be granted and accepted in accordance with Clause 5.6 of the Scheme;

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	Silkwave Inc (中播數據有限公司), a company incorporated with limited liability on 22 July 2004 under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange (stock code: 471);
“Controlling Shareholder”	shall have the meaning ascribed to it under the Listing Rules;
“Culpable Termination”	termination of the employment of an Executive 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;
“Directors”	directors of the Company;
“Eligible Entity”	any substantial shareholders or holding companies (as defined in the Companies Ordinance) of the Company and any of their respective subsidiaries, and any entity (including associated company) in which any substantial shareholders or holding companies of the Company or any of their respective subsidiaries holds any equity interest;
“Eligible Person”	means any of the following persons: <ul style="list-style-type: none"> (a) an Executive, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group or of an Eligible Entity; (b) a director or proposed director (including an independent non-executive director) of any member of the Group or of an Eligible Entity; (c) a direct or indirect shareholder of any member of the Group or of an Eligible Entity;

- (d) a supplier of goods or services to any member of the Group or of an Eligible Entity;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group or of an Eligible Entity;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group or of an Eligible Entity; and
- (g) an associate of any of the foregoing persons;

“Executive”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group;
“Expiry Date”	in respect of an Option, such date of the expiry of the Option as the Board may in its absolute discretion determine and which shall not exceed 10 years from the Commencement Date but subject to the provisions for early termination thereof contained herein;
“financial year”	a year or other period for which the Company’s accounts are made up;
“Grantee”	any Eligible Person who accepts the offer of the grant of an Option in accordance with the terms of the Scheme or (in the case of an Eligible Person being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the Eligible Person;
“Group”	the Company and its Subsidiaries (as defined under the Listing Rules);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Non-Executive Director Retirement”	the retirement of a non-executive Director who retires pursuant to the Company’s Articles of Association and who notifies the Company that he is not offering himself for re-election at the Company’s annual general meeting;

“Offer”	an offer of the grant of a Share Option made in accordance with the terms of the Scheme;
“Offer Date”	the date on which an Offer is made to an Eligible Participant;
“Option”	an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
“Option Period”	a period to be determined and notified by the Board to the grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the Offer Date and expiring on the last day of such ten-year period subject to the provisions for early termination and the vesting period in accordance with the terms of the Scheme;
“Option Shares”	Shares to which any particular Option relates;
“PRC”	the People’s Republic of China;
“Scheme”	this share option scheme, the rules of which are set out in this document in its present or any amended form;
“Service Provider(s)”	person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor;
“Shares”	ordinary shares of HK\$0.20 each in the capital of the Company, or, if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Scheme;
“Subsidiary”	a subsidiary (within the meaning of the Companies Ordinance as amended from time to time) of the Company from time to time;
“HK\$”	Hong Kong dollars.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to paragraphs and clauses are to paragraphs and clauses 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. PURPOSE OF THE SCHEME AND ELIGIBILITY

- 2.1 The purpose of the Scheme is to motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.
- 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 Person as the Board may in its absolute discretion select.
- 2.3 In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.
- 2.4 For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.
- 2.5 For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the

Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the 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, as disclosed in the Company's announcements, circulars, interim and annual reports.

3. CONDITIONS PRECEDENT

3.1 The Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) subject to paragraph (b) below, the approval of all the shareholders of the Company for the adoption of the Scheme; 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 (as defined in Clause 8.1)) to be allotted and issued pursuant to the exercise of the Options which may be granted in accordance with the terms and conditions of the Scheme;

3.2 If the permission referred to in Clause 3.1(b) is not granted within two calendar months after the Adoption Date:

- (i) the Scheme will forthwith determine;
- (ii) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect; and
- (iii) 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.

4. DURATION AND ADMINISTRATION

4.1 Subject to the fulfilment of the conditions to Clause 3 and the termination provisions to Clause 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. 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 whose decision on all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) 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 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the exercise price for such number of Shares as the Board may (subject to Clause 8) determine (provided the same shall be a Board Lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof) provided that:
- (a) no Options shall be granted under this Scheme after the termination of the Scheme in accordance with Clause 14;
 - (b) 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
 - (c) any Option, once issued, shall not be reissued under the Scheme.
- 5.2 Subject to the provisions of the Listing Rules, the Board may in its absolute discretion 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 letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Grantee, the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of this Scheme. For the avoidance of doubt, except for such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) and there is no minimum period for which an Option must be held before it can be exercised and there is no performance target which need to be achieved by the Grantee before the Option can be exercised.
- 5.3 Subject to Clause 8 below, but only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director of the Company, or any of their respective associates, would result in the securities 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 the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of securities in issue, such further grant of Options must be approved by shareholders

of the Company (voting by way of a poll). The Company shall send a circular to shareholders containing the information required under the Listing Rules. All connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting.

Without prejudice to Clause 15, approval from the shareholders of the Company is required for any change in the terms of Options granted to an Eligible Person who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates.

5.4 The Board shall not offer the grant of an Option to any Eligible Person:

- (a) after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been announced pursuant to the requirements of the Listing Rules; or
- (b) during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

5.5 If in accordance with Clause 5.1 the Board determines to offer the grant of an Option to an Eligible Person, the Board shall forward to the relevant Eligible Person an offer letter specifying:

- (i) the Eligible Person's name, address and occupation;
- (ii) the Offer Date;
- (iii) the Acceptance Date;
- (iv) the number of Shares in respect of which the Option is offered;
- (v) the Subscription Price and the manner of payment of the Subscription Price of the Shares on and in consequence of the exercise of the Option;
- (vi) how the Expiry Date in relation to that Option is ascertained;
- (vii) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Clause 5.6;

(viii) the method of exercise of the Option which shall, unless the Board otherwise determines, be as set out in Clause 7.1; and

(ix) 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 Eligible Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

5.6 An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 21 days from the Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme stated in Clause 4.1. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 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.

5.7 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 provided that it is accepted in respect of Board Lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option in the manner as set out in Clause 5.6 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 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 letter containing the offer of the grant of the Option) but the exercise price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date; 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 Offer Date.

7. VESTING OF SHARE OPTIONS

7.1 Save for the circumstances prescribed in sub-paragraph 7.2 below, an Option must be held by the Option Holder for at least 12 months before the Option can be exercised.

- 7.2 A shorter vesting period may be granted to Employee Participants at the discretion of the Board or the Remuneration Committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:
- (i) Grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) Grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) Grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (iv) Grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months;
 - (v) Grants with performance-based vesting conditions in lieu of time-based vesting criteria;
 - (vi) Grants to an Employee Participant whose employment at the Company has been more than two years; and
 - (vii) The Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the Scheme.

8. EXERCISE OF OPTIONS

- 8.1 An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the Option Period in the manner as set out in Clauses 7.3 and 7.4 by the Grantee (or his legal personal representative(s)) by giving notice in writing to the Company 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. Within 30 days after receipt of the notice and, where appropriate, receipt of the Auditors’ certificate pursuant to Clause 12, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- 8.2 The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter as mentioned in Clause 5.5 above. The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

- 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 Option 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 Clause 7.3(e) exists with respect to such Grantee, he (or his legal 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 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 an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under Clause 7.3(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 within a period of 12 months following his retirement or such longer period as the Board may determine;
 - (c) in the event that the Grantee ceases to be an Executive by reason of his transfer of employment to an Affiliate Company, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option 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 Executive for any reason (including the termination of his employment by resignation, or his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to an Affiliate Company or the termination of his employment with the relevant member of the Group 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 Executive by reason of the termination of his employment by Culpable Termination, the Option (to the extent not already exercised) shall lapse automatically on the date on which the notice of termination is served or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not in any event be exercisable on or after the date of cessation of employment 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 Executive's Option has lapsed pursuant to this Clause 7.3(e) shall be final and conclusive;

- (f) if none of the situations described in Clauses 7.3(a), 7.3(b), 7.3(c), 7.3(d) and 7.3(e) exist and:
 - (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
 - (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. In the case of (i), a resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Clause 7.3(f) shall be final and conclusive;

- (g) if a Grantee (being a corporation):
 - (i) 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; or
 - (ii) has suspended, ceased or threatened to suspend or cease business; or
 - (iii) is unable to pay its debts; or
 - (iv) otherwise becomes insolvent; or
 - (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 its associate(s) 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 in any event be exercisable on or after the date on which the Board have so determined 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 Clause 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 Clause 7.3(g) by reason of breach of contract or material change in the constitution, management, directors or shareholding as aforesaid shall be final and conclusive;

- (h) if a Grantee (being an individual):
 - (i) 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 has otherwise become insolvent; or
 - (ii) has made any arrangement or composition with his creditors generally; or
 - (iii) has been convicted of any criminal offence involving his integrity or honesty; or
 - (iv) commits a breach of any contract entered into between the Grantee or his associate(s) 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 on or after the date on which the Board have so determined 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 (iv) of this Clause 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 Clause 7.3(h) for breach of contract as aforesaid 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 of the Company (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 after such offer becomes

or is declared unconditional and before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be;

- (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 dispatches 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 representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period; or
 - (ii) 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 Clause 7.3(j), all Options outstanding at the expiry of the relevant period referred to in this Clause 7.3(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 its members 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 dispatches 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 one Business Day prior to the proposed general meeting of the Company by giving notice in writing 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 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 for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

9. MAXIMUM NUMBER OF SHARES AVAILABLE

9.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Other Schemes**”) shall not in aggregate exceed 161,154,703, representing 10 per cent. of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 3.3 below. Options or awards cancelled or lapsed in accordance with the terms of the Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share provided that:

- (a) the Company may as the Board may think fit seek approval from its shareholders to refresh the Scheme Mandate Limit and the Service Provider Sublimit after 3 years from the date of approval by the Shareholders for the adoption of the Scheme or the last refreshment, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by the shareholders of the Company in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to its shareholders a circular containing the details and information required under the Listing Rules;
- (b) Any refreshment within any three (3)-year period must be approved by Shareholders subject to that: (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent nonexecutive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules;

- (c) the Company may seek separate approval from its 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 Eligible Person specified by the Company before such approval is obtained. The Company shall issue a circular to its shareholders containing the details and information required under the Listing Rules; and
- (d) within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 5% of the total number of Shares in issue on the Adoption Date (the “**Service Provider Sublimit**”).

9.2 The maximum number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding Options) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the shareholders of the Company in general meeting with such Eligible Person and his associates abstaining from voting. The Company shall send a circular to its shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules. The number and terms (including the exercise price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Company’s shareholders and the date of the Board meeting proposing such grant shall be taken as the Offer Date for the purpose of calculating the exercise price of those Options.

9.3 The maximum numbers set out in Clauses 8.1 to 8.2 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 Clause 12 below whether by way of capitalisation of profits or reserves, rights issue, consolidation, reclassification, reconstruction, 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 Eligible Persons 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.

10. TRANSFERABILITY OF OPTIONS

10.1 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 so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

11. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the period referred to Clause 8.3;
- (c) subject to Clause 8.3(k), 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 Clauses 8.3(g), 8.3(h) or 11.1(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.

Unless otherwise imposed by the Directors pursuant to paragraph 2 above and stated in the relevant Offer Letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

12. CANCELLATION OF OPTIONS

12.1 The Board shall be entitled 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**”). Options granted and accepted but not exercised can be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the Scheme (or the Other Schemes) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

12.2 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. REORGANISATION OF CAPITAL STRUCTURE

13.1 In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, 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 Option so far as unexercised; and/or
- (c) the exercise price of each outstanding Option.

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 are in their opinion fair and reasonable, provided that:

- (a) 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;
- (b) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

- (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 Clause 12.1 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.

- 13.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 12, the Company shall, upon receipt of a notice from the Grantee in accordance with Clause 7.1, 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 Clause 12.

14. SHARE CAPITAL

- 14.1 Subject to Clause 8.2, 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.

15. TERMINATION

- 15.1 The Company may by resolution in general meeting at any time terminate the operation of the Scheme. 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 subject to and in accordance with the Scheme.

16. ALTERATION OF THE SCHEME

- 16.1 Subject to Clause 16.2, the Scheme may be altered in any respect by a resolution of the Board.
- 16.2 The following shall not be carried out except with the prior sanction of an ordinary resolution of the shareholders of the Company in general meeting:
- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme);
 - (b) any alteration 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 Grantee;

- (c) any change to the authority of the Board or any person or committee delegated by the Board pursuant to Clause 4.2 to administer the day-to-day running of the Scheme; and
- (d) any alteration to Clause 16,

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

17. DISPUTES

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

18. MISCELLANEOUS

18.1 The Company shall bear the costs of establishing and administering the Scheme (including the costs of the Auditors).

18.2 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.

18.3 Any notices, 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 and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.

18.4 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.

18.5 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 or approval. 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 approval 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 approval or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.

- 18.6 A Grantee shall pay 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.
- 18.7 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.
- 18.8 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Executive and the rights and obligations of any Executive under the terms of his office or employment shall not be affected by his participation in it and the Scheme shall afford such an Executive no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

19. GOVERNING LAW

- 19.1 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 19.2 The courts of Hong Kong shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Scheme and, for such purposes, irrevocably submits to the jurisdiction of such courts.