

BRII BIOSCIENCES LIMITED
(incorporated in the Cayman Islands with limited liability)

2023 SHARE OPTION SCHEME

Adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company at a general meeting of the Company held on [August 21], 2023

BRII BIOSCIENCES LIMITED
(incorporated in the Cayman Islands with limited liability)

2023 SHARE OPTION SCHEME

1. DEFINITIONS

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

“Adoption Date”	[August 21], 2023, being the date on which this Scheme is approved and adopted by the Shareholders at a general meeting of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company or a committee thereof duly appointed for the purpose of administering this Scheme;
“business day”	any day on which the Stock Exchange is open for the business of trading in securities;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Code”	the United States Internal Revenue Code of 1986, as amended;
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time);
“Company”	Brii Biosciences Limited, a company incorporated under the laws of the Cayman Islands with limited liability;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(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;

“Date of Grant”	the date on which the Board resolves to make an Offer of that Option to the Participant, which date must be a business day;	
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies);	17.03A
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person;	
“Group”	the Company and its subsidiaries from time to time;	
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;	
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;	
“inside information”	has the meaning ascribed to it under the Listing Rules;	
“ISO”	an “incentive stock option” within the meaning of Section 422 of the Code;	
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);	
“Offer”	the offer of the grant of an Option made in accordance with section 4.1;	
“Option”	a right granted to subscribe for Shares pursuant to this Scheme;	
“Option Period”	a period within which an Option may be exercised, which is to be determined and notified by the Board to each Grantee at the time of making an Offer, and shall not expire later than ten years from the Date of Grant;	17.03(5)
“Participant(s)”	an individual or a corporate entity (as the case may be), being any of the following:	17.03(2) 17.03A

- (i) an Employee Participant; and
- (ii) a Service Provider,

in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group;

“PRC”	the People’s Republic of China, and for purpose of this Scheme, does not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;	
“Remuneration Committee”	the remuneration committee of the Board;	
“Scheme”	this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;	
“Scheme Mandate Limit”	has the meaning given to that term in section 8.1;	
“Scheme Period”	the period of ten years commencing on the Adoption Date;	17.03(11)
“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, such as independent contractor, consultant and/or advisor for research and development, manufacturing, product commercialization, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Company (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity);	17.03A
“Service Provider Sublimit”	has the meaning given to that term in section 8.2;	
“Share(s)”	ordinary share(s) of US\$0.000005 each in the capital of the Company or, if there has been a subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the	

	Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction;
“Share Registrar”	the Hong Kong branch share registrar of the Company from time to time;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“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 as described in section 5.1;
“subsidiary or subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers, as approved by the Securities and Futures Commission of Hong Kong (as amended from time to time); and
“US\$”	United States dollars, the lawful currency of the United States.

1.2 In this Scheme, save where the context otherwise requires:

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to sections are references to sections of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in the singular shall include the plural and vice versa;
- (e) expressions in any gender or the neuter shall include other genders and the neuter;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. APPROVAL CONDITIONS

2.1 This Scheme is conditional upon:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of this Scheme, and to authorize the directors of the Company to grant Options under this Scheme and to allot and issue Shares pursuant to the exercise of any Options granted under this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the exercise of Options granted under this Scheme.

2.2 Notwithstanding the above, if the Grantee is a PRC resident, he or she shall not be entitled to exercise any Option until: (i) to the extent applicable, any restriction or condition imposed by the relevant PRC laws, regulations and notices in relation to the subscription of or dealing in shares of overseas listed companies by PRC residents or any law, regulation or notice with similar effects have been abolished or removed or ceased to be applicable to the Grantee or the Grantee has obtained approval, exemption or waiver from the relevant PRC regulatory authorities for the subscription of and dealing in the Shares; and (ii) he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant laws, regulations and notices in exercising the Options.

3. PURPOSE, ELIGIBILITY, DURATION AND ADMINISTRATION

3.1 The purpose of this Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. This Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants. 17.03(1)

3.2 The Board shall be entitled (but shall not be bound) to make an Offer to an individual or a corporate entity (as the case may be), being any of the following, as the Board may in its absolute discretion select, to take up an Option pursuant to which such Participant may subscribe for such number of Shares as the Board may determine:

- (a) an Employee Participant; and
- (b) a Service Provider,

in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group.

3.3 In the case of the Employee Participants, in assessing their eligibility, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including

but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

- 3.4 In assessing the eligibility of the Service Providers, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) in general, (a) the individual performance of the Service Providers; (b) the frequency of collaboration and the length of business relationship with the Group; (c) 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); (d) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services; (e) the scale of business dealings and/or collaboration 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; (f) the actual contribution or potential contribution towards the long-term development and success of the Group; and (g) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry; (ii) specifically in respect of Service Providers in the category of independent contractors, (a) the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; and (b) the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group; and (iii) specifically in respect of Service Providers in the category of consultants and/or advisors, (a) the expertise, professional qualifications and industry experience of the Service Providers; (b) the prevailing market fees chargeable by other services providers; (c) the Group's period of engagement of or collaboration with the Service Providers; and (d) the Service Providers' actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit.
- 3.5 Subject to the fulfilment of the conditions in section 2 and section 12, this Scheme shall be valid and effective for the Scheme Period. After the expiry of the Scheme Period, no further Options shall be offered or granted, but in all other respects the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. 17.03(11)
- 3.6 This Scheme shall be administered by the Board, and the decision of the Board shall be final and binding on all parties. Subject to compliance with the requirements of the Listing Rules, the provisions of this Scheme and any applicable laws or regulations, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this Scheme, the number of Shares and the Subscription Price and other terms and conditions (such as any vesting conditions, performance targets and clawback provisions), subject to section 5, in relation to such Options; (iii) subject to sections 9 and 11, make such appropriate and equitable adjustments to the terms of the Options granted under this Scheme as it deems

necessary; and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

- 3.7 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board or for any mistake of judgment made in good faith for the purposes of this Scheme, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own willful default, fraud or bad faith.

4. GRANT OF OPTION

- 4.1 On and subject to the terms of this Scheme, the Board shall be entitled (but shall not be bound) at any time within the Scheme Period to make an Offer to any Participant, as the Board may in its absolute discretion select, to take up an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price and on and subject to such terms and conditions as the Board may determine and impose and inform the Grantee accordingly. For the purposes of this Scheme, Options may be granted to any company wholly owned by one or more Participants. The Offer shall specify the terms and conditions on which the Option is to be granted. Such terms and conditions may include any minimum period(s) for which an Option must be held (subject to sections 5.2 and 5.3) and/or any minimum performance target(s) that must be achieved such as linking its exercise to the attainment of program milestones and market capitalization milestones by the Group (subject to section 5.4), before the Option can be exercised or vested in whole or in part, may include any clawback mechanism in respect of the Options as described in section 5.5, and may include at the discretion of the Board such other terms either on a case by case basis or generally.
- 4.2 Each grant of Options to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares already granted under this Scheme and any other share scheme(s) of the Company (excluding any options or awards lapsed in accordance with the terms of this Scheme or any other share 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% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant, such further grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting. The Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The relevant Grantee, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant

resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

4.3 The circular to be issued by the Company to its Shareholders pursuant to section 4.2 shall contain the following information:

17.04(5)

- (a) the details of the number and terms of the Options to be granted to each Grantee which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant is to be taken as the Date of Grant for the purpose of calculating the Subscription Price;
- (b) the views of the independent non-executive directors of the Company (excluding any independent non-executive director who is the relevant Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to whether to vote for or against the resolution relating to the grant of the Options;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information as required under Rule 2.17 of the Listing Rules; and
- (e) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

4.4 Any change in the terms of Options granted to any Grantee who is a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the Shareholders in the manner as set out in section 4.2 if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

4.5 No Offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules or at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. No Offer shall be made and no Option shall be granted to any Participants after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in an announcement in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

17.05

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. Such period will also cover any period of delay in the publication of any results announcement.

- 4.6 An Offer shall be made to a Participant by a letter in duplicate, in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme. Each Offer shall remain open for acceptance by the Participant to whom the Offer is made for a period of five (5) business days from the date on which the letter containing the Offer is delivered to that Participant, provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after this Scheme has been terminated in accordance with the provisions hereof, whichever is the earlier.
- 4.7 An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within the period as stipulated in section 4.6. Such remittance shall not be refundable in any circumstances. 17.03(8)
- 4.8 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the Offer is not accepted or any Grantee fails to return the acceptance of the Offer in accordance with section 4.7 within five (5) business days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in section 4.6, it shall be deemed to have been irrevocably declined.
- 4.9 Options granted under this Scheme may qualify as ISOs for purposes of U.S. tax laws. To the extent that the aggregate fair market value (determined at the time of grant of the applicable Option) of shares with respect to which ISOs first become exercisable by a Participant in any calendar year exceeds US\$100,000, taking into account both Shares subject to ISOs under this Scheme and shares subject to ISOs under all other schemes of the Company or one of its subsidiaries (or any parent, predecessor company or other entity to the extent required by and within the meaning of Section 422 of the Code and the regulations promulgated thereunder), such Options shall be treated as nonqualified stock options. In reducing the number of Options treated as ISOs to meet the US\$100,000 limit, the most recently granted Options shall be reduced first. To the extent a reduction of simultaneously granted Options is necessary to meet the US\$100,000 limit, the Board may, in the manner and to the extent permitted by law, designate which Shares are to be treated as Shares acquired pursuant to the exercise of an ISO. ISOs may only be granted to employees of the Company or one of its subsidiaries (for this purpose, the term “subsidiary” is used as defined in Section 424(f) of the Code, which generally requires an unbroken chain of ownership of at least 50% of the total combined voting power of all classes of shares of each subsidiary in the chain beginning with the Company and ending with the subsidiary in question). No ISO may be granted to any person who, at the time the Option is granted, owns (or is deemed to own under Section 424(d) of the Code) outstanding Shares possessing more than 10% of the total combined voting power of all classes of shares of the Company, unless the exercise price of such option is at least 110% of the fair market value of the Shares

subject to the Option and such Option by its terms is not exercisable after the expiration of five years from the date such Option is granted. If an otherwise-intended ISO fails to meet the applicable requirements of Section 422 of the Code, the option shall be a nonqualified stock option. Notwithstanding any other provision herein, an Option that is granted more than 10 years after the first to occur of (i) the date of adoption of this Scheme by the Board and (ii) the date of approval of this Scheme by the Shareholders shall be a nonqualified stock option.

5. SUBSCRIPTION PRICE, VESTING PERIOD, PERFORMANCE TARGETS AND CLAWBACK OF OPTIONS

5.1 The Subscription Price shall be such price determined by the Board in its absolute discretion and notified to the Participant in the Offer and shall be no less than the higher of:

17.03(9)
17.03E

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the Date of Grant; and
- (c) the nominal value of a Share on the Date of Grant.

5.2 Save for the circumstance as described in section 5.3, the vesting period in respect of any Option granted shall be no less than twelve (12) months from (and including) the Date of Grant.

17.03(6)
17.03F

5.3 Options granted to an Employee Participant may be subject to a shorter vesting period in the following circumstances at the sole discretion of the Board or the Remuneration Committee:

- (a) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
- (b) grants that are made in batches during a year for administrative or compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (c) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months, or where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
- (d) grants with performance-based vesting conditions provided in this Scheme or as specified in the offer letter in lieu of time-based vesting criteria; and
- (e) grants with a total vesting and holding period of more than twelve (12) months.

5.4 Vesting of Options shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or the Remuneration Committee from time to time. The Board or the Remuneration Committee shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the Option Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or the Remuneration Committee (as the case may be). The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or the Remuneration Committee (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board or the Remuneration Committee determines that any prescribed performance targets have not been met, the unexercised Options shall lapse automatically. For the avoidance of doubt, the performance targets are not applicable to independent non-executive directors of the Company. 17.03(7)

5.5 Notwithstanding the terms and conditions of this Scheme, the Board has the authority to provide that any Option shall be subject to a clawback if any of the following events occurs: 17.03(19)

- (a) if the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of fraud or dishonesty or persistent or serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (b) if the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company; and
- (c) if any other clawback event implicitly or explicitly characterized in the offer letter occurs.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this section is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee claw back such number of Options granted (to the extent not already exercised) as the Board may consider appropriate. The Options that are clawed back shall be regarded as cancelled and the Options so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provided Sublimit.

6. EXERCISE OF OPTIONS

6.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise 17.03(17)

dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Option, except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this Scheme or 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 without incurring any liability on the part of the Company.

- 6.2 Except as provided in an offer letter, any Option shall become exercisable upon vesting. An Option may, subject to section 6.3 and the terms and conditions upon which such Option is granted, be exercised in whole or in part by the Grantee giving a notice to the Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within ten (10) business days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate issued by the Auditors or the independent financial advisor (retained for such purpose pursuant to section 9), the Company shall allot, and shall instruct the Share Registrar to issue, the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative(s) as aforesaid) a share certificate in respect of the Shares so allotted and issued.
- 6.3 Subject to the terms and conditions upon which such Option was granted, a vested Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (a) in the event the Grantee ceases to be a Participant for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment before exercising the Option in full and none of the events for termination of employment under sections 7.1(d) and 7.1(e) then exists with respect to such Grantee, the personal representative(s) of the Grantee or the Grantee (as the case may be) shall be entitled to exercise the Option (to the extent not already exercised), in whole or in part, up to the entitlement of such Grantee as at the date of death or the date of cessation due to ill-health or retirement within a period of twelve (12) months from such date of death or cessation;
 - (b) in the event a Grantee (being an employee or a director of any member of our Group) ceases to be a Participant for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or (ii) on one or more of the grounds of termination of employment or engagement specified in sections 7.1(d) and 7.1(e) below, before exercising the Option in full, the Grantee shall have the right to exercise those Options then already vested in accordance with the terms of this Scheme (to the extent not already exercised) at any time prior to or on the date of expiry of three (3) years period after the date of cessation unless the Board otherwise determines, in which event the Option shall be exercisable, in whole or in part, to the extent and within such period as the Board may determine. The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of any member of the Group) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not;

- (c) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to section 6.3(d)) is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, at any time within such period as shall be notified by the Company;
- (d) if a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company;
- (e) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or in the case of the death of the Grantee, his personal representatives(s)) may at any time within such period as shall be notified by the Company, subject to the provisions of all applicable laws, exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed general meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option; and
- (f) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in section 6.3(d), between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a scheme or arrangement and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three (3) days prior to the date of the proposed meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option.

Notwithstanding the foregoing provisions, an Option may qualify as an ISO only if and to the extent it is exercised no later than three (3) months after the Grantee's employment with the Company or any of its subsidiaries terminates (or twelve (12)

months if such termination of the Grantee's employment is due to the Grantee's permanent and total disability within the meaning of Section 22(e)(3) of the Code).

- 6.4 Upon the occurrence of any of the events referred to in sections 6.3(c), (d), (e) and (f), the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being more than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.
- 6.5 The Shares to be allotted and issued upon the exercise of an Option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration. 17.03(15)
- 6.6 No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to this 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 until such Options have been exercised. 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 this Scheme) as the holder thereof. 17.03(10)
- 6.7 Notwithstanding any other provisions of this Scheme or any terms and conditions set forth in the relevant offer letter in respect of the Board's discretion to cancel any Options that have not been exercised, any Option granted but not exercised may be cancelled if the Grantee so agrees. Where the Company cancels Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit, and that Options so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. 17.03(14)
- 6.8 In any case where a tax is required to be withheld (including but not limited to taxes in the PRC where applicable) in connection with any exercise of any Option granted under this Scheme, the Company or any of its subsidiaries shall have the right to:
- (a) reduce the number of Shares to be delivered pursuant to such exercise by the appropriate number of Shares to satisfy the withholding obligation of the Company or any of its subsidiaries with respect to such exercise, or

- (b) require the Grantee (or the personal representative(s) of the Grantee, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any of its subsidiaries may be required to withhold with respect to such exercise, and no Shares shall be delivered to such Grantee (or the personal representative(s) of such Grantee, as the case may be) pursuant to such exercise unless such Grantee (or the personal representative(s) of such Grantee, as the case may be) has paid the amount of taxes in full as required under this section 6.8(b).

7. LAPSE OF OPTION

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

17.03(12)

- (a) the expiry of the Option Period;
- (b) the date or the expiry of any of the periods for exercising the Option as referred to in sections 6.3(a) to 6.3(f);
- (c) the date on which the Grantee commits a breach of section 6.1;
- (d) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (e) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (f) the date on which the Board or the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment referred to in section 5.4;
- (g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (h) unless the Board otherwise determines, and other than in the circumstances referred to in sections 6.3(a) or 6.3(b), the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

7.2 For the avoidance of doubt, transfer of employment or engagement from one member of the Group to another member of the Group shall not be considered as a cessation of employment or engagement. Options held by such Grantee, to the extent not already

exercised, shall remain exercisable in accordance with the terms and conditions of this Scheme.

- 7.3 The Board shall have the power to decide whether an Option shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Option under section 7.

8. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

- 8.1 The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, being [*] Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with section 8.4. Options and awards which have lapsed in accordance with the terms of this Scheme (or any other share scheme(s) of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit. 17.03(3)
17.03B(1)
- 8.2 Subject to section 8.1, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed [*] Shares, representing 1% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”). 17.03(3)
17.03B(2)
- 8.3 The Company may seek the approval of its Shareholders at general meeting to refresh the Scheme Mandate Limit or the Service Provider Sublimit after three years from the Adoption Date or the date of Shareholders’ approval for the last refreshment (as the case may be), such that the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid approval for refreshment by the Shareholders in general meeting. Options and awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company will not be regarded as utilized for the purpose of calculating the limit as refreshed. The Company shall send a circular to the Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment. 17.03C

Any refreshment within any abovementioned three-year period must be approved by the Shareholders subject to the following provisions:

- (a) any controlling shareholder(s) of the Company and their respective associates, or if there is no controlling shareholder(s) of the Company, directors (excluding independent non-executive directors) and the chief executives of the Company and their respective associates must abstain from voting in favor of the relevant resolution at the general meeting; and

- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-sections (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit or the Service Provider Sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit or the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- 8.4 Without prejudice to section 8.3, the Company may also seek separate approval of the Shareholders in general meeting for granting any Options beyond the Scheme Mandate Limit, or if applicable, the refreshed limit as referred to in section 8.3 above, provided that the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular shall be sent to Shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each specified Participant, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Options to be granted to such Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

- 8.5 Unless approved by the Shareholders in the manner set out in this section, the total number of Shares issued and to be issued in respect of all options and awards granted under this Scheme and any other share scheme(s) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Where any grant of Options under this Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all options and awards granted under this Scheme and any other share scheme(s) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting. A circular shall be sent to the Shareholders disclosing the identity of such Participant, the number and terms of the Options to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting the Options to the Participant and an explanation as to how the terms of the Options serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Options to be granted to such Participant shall be fixed before the Shareholders' approval is sought and 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 Subscription Price.

17.03(4)
17.03D

- 8.6 The maximum number of Shares referred to in section 8 shall be adjusted, in such manner as the Auditors or the independent financial advisor of the Company retained

for such purpose shall certify in writing to the Board to be appropriate, fair and reasonable, in the event of any alteration in the capital structure of the Company in accordance with section 9 by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company.

- 8.7 The maximum number of Shares that may be delivered pursuant to Options qualified as ISOs granted under this Scheme is [*] Shares (such limit being subject to adjustments in accordance with section 8.6 and consistent with the requirements of Section 422 of the Code).

9. REORGANIZATION OF CAPITAL STRUCTURE AND SPECIAL DIVIDENDS

- 9.1 In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Act) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to: 17.03(13)

- (a) the number or nominal amount of Shares comprised in each Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option,

or any combination thereof, as the Auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the Auditors or independent financial advisor (as the case may be) in this section is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company. It is intended that, if possible, any adjustments contemplated by this section 9.1 be made in a manner that satisfies applicable U.S. tax requirements (including, without limitation and as applicable in the circumstances, Section 424 of the Code and Section 409A of the Code).

To the extent not otherwise determined by the Board in accordance with section 9.1, the method of adjustment of the number of Option so far as unexercised is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “Q” represents the number of Option after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Option before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “Q” represents the number of Option after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Option after the adjustment.

To the extent not otherwise determined by the Board in accordance with section 9.1, the method of adjustment of the exercise price of Option is set out as below:

Capitalization issue

$$P = P_0 \div (1 + n)$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue; “P” represents the Subscription Price after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the Subscription Price before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “P” represents the Subscription Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the Subscription Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Subscription Price after the adjustment.

- 9.2 In respect of any adjustments required by section 9.1, other than any made on a capitalization of profits or reserves, the Auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.
- 9.3 If there has been any alteration in the capital structure of the Company as referred to in section 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with section 6.3(f), inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial advisor 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 or the independent financial advisor as soon as practicable thereafter to issue a certificate in that regard in accordance with section 9.1.

10. SHARE CAPITAL

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

11. ALTERATION OF THIS SCHEME

- 11.1 Subject to section 11.2, the Board may amend any of the provisions of this Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of this Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). 17.03(18)
- 11.2 Any alterations to the terms and conditions of this Scheme which are of a material nature, or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants, must be approved by Shareholders in general meeting. Any change to the terms of Options granted to a Participant, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive directors of the Company and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. This Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board or other administrator of this Scheme in relation to any alternation to the terms of this Scheme must be approved by the Shareholders in general meeting.
- 11.3 Notwithstanding any provisions to the contrary in this Scheme, if on the relevant date of exercise of an Option there are restrictions or conditions imposed by the relevant laws and regulations to which the Grantee is subject and the Grantee has not obtained

approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Shares, the Grantee may sell the Options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the Options are transferred to a connected person of the Company, no Shares shall be allotted and issued upon the exercise of the Options by a connected person of the Company unless the Board is satisfied that the allotment and issue of Shares will not trigger any breach of the Listing Rules, the memorandum of association and articles of association of the Company or the Companies Act or the Takeovers Code. Notwithstanding the foregoing, ISOs may not be sold or transferred, and may be exercised only by the Grantee, during the Grantee's lifetime.

12. TERMINATION

- 12.1 The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme prior to the expiry of the Scheme Period and in such event no further Options will be offered or granted but the provisions of this Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Options (to the extent not already exercised) complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of this Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of this Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of this Scheme. 17.03(16)
- 12.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination, shall be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after the termination of this Scheme.

13. MISCELLANEOUS

- 13.1 This Scheme shall not form part of any contract of employment between the Company or any of its subsidiary and any Grantee, and the rights and obligations of any such Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme and this Scheme shall afford such Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 13.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights 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. No person shall, under any circumstances, hold the Board and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.
- 13.3 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Auditors or the independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).

- 13.4 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address in Hong Kong as notified to the Company from time to time.
- 13.5 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered.

- 13.6 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and in the Cayman Islands, 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, holding or exercise of the Option. By accepting an offer of the grant of an Option or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this section shall be a condition precedent to an acceptance of an offer of the grant of an Option by a Grantee and an exercise by a Grantee of his Options. 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 approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 13.7 Each Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 13.8 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the provisions of this Scheme. The Board may delegate any or all of its powers in relation to the administration and operation of this Scheme to the Remuneration Committee or other persons at its sole discretion. The Board shall also have the power to delegate its powers to grant Options and to determine the Subscription Price to the Company's chief executive officer or other member of senior management from time to time.
- 13.9 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders generally.

- 13.10 The Company shall maintain all necessary books of accounts and records relating to this Scheme.
- 13.11 Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Subscription Price or otherwise) shall be referred to the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.
- 13.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.