

# 东软熙康控股有限公司 股票期权激励计划

东软熙康控股有限公司

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# 第一章 释义

第一条 以下词语如无特殊说明，在本文中作如下释义：

公司、本公司、熙康开曼	指	东软熙康控股有限公司
董事会	指	本公司董事会
股票期权计划、本计划	指	东软熙康控股有限公司股票期权计划
授予协议书	指	东软熙康控股有限公司股票期权激励计划期权授予协议书
激励对象	指	依据相关规定有资格参与本计划的、与本公司及/或境内公司具有雇佣或劳务关系的个人，包括但不限于员工、董事、咨询顾问等
境内公司	指	本公司在境内的分支机构(含代表处)以及与本公司有控股关系或实际控制关系的境内各级母、子公司或合伙企业等境内机构
股票期权	指	在满足行权条件和行权时间安排情况下，每份股票期权（也称每股股票期权）拥有在期权有效期内的可行权时间内，以事先设定的行权价格购买一股本公司股票的权利，也称“期权”
授予	指	公司依据本计划授予激励对象股票期权的行为

授予日	指	公司根据本计划第五章实际授予激励对象股票期权的日期
授予条件	指	本公司按照本计划授予激励对象股票期权而需要本公司和激励对象满足的条件
行权	指	激励对象依据本计划以行权价格购买公司股票的行为
行权价格	指	公司根据本计划第六章授予激励对象股票期权时在可适用的授予协议中事先约定的激励对象可以用以购买公司股票的价格
期权有效期	指	股票期权的有效期。除非根据本计划的规定提前失效，在本计划下，股票期权的有效期是10年，自董事会确定的首期授予日起至失效日止
归属生效	指	已授予的股票期权在满足一定条件后拥有的一种行使股票期权的远期权利
归属生效条件	指	激励对象按照本计划使其已授予的全部或部分股票期权归属生效而需要本公司和激励对象满足的条件
失效日	指	股票期权失效的日期。除非根据本计划的规定提前失效，本计划下授予的股票期权失效日为自股票期权授予日满10年之日
继承人	指	激励对象身故或丧失劳动能力时法定的或其指定的可以继承激励对象全部或部分股票期

		权的人士
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## 第二章 股票期权计划的目的

**第二条** 为有效推动公司战略目标的达成，有力支持公司的快速发展，充分调动公司中、高级管理人员，各地云医院及合资公司的负责人，以及核心员工的积极性、责任感和使命感，有效地将股东利益、公司利益和员工个人利益结合在一起，使各方共同关注公司的长远发展，并为之共同努力、奋斗，特制订本计划。

### 第三章 激励对象及授予条件

**第三条** 本计划的激励对象涵盖公司及境内公司中、高级管理人员以及对公司整体业绩和持续发展有直接影响的核心技术人才，也包括公司未来根据发展战略需要而引进的高级管理人员和技术骨干等人员。公司和激励对象在分别满足第五条及第四条约定的授予条件时方可授予激励对象股票期权。

**第四条** 激励对象由公司董事会指定的人力资源部门按照如下授予条件审核确定：

（一）任职时间：至少在公司或境内公司工作满一（1）年；

（二）绩效考核：期权授予之前一年度绩效考核结果为 A；

（三）个人意愿：个人愿意以公司为事业平台，将个人的事业构筑在公司平台之上，在公司长期发展，愿意接受本计划的条件。

特别提名的激励对象：针对不符合以上（一）、（二）授予条件，但为公司做出突出贡献、绩效表现卓越的员工以及公司特殊引进的高端人才等人员，可由各主管副总裁提请激励对象名单，由首席执行官 CEO 签批，并向董事会进行年度报备。特别提名的激励对象合计获授期权数量的比例不超过本计划下期总数量的 15%。

**第五条** 公司需满足以下授予条件：

本计划对于股票期权授予设立公司绩效要求门槛，即公司期权授

予之前一年度绩效目标达成 70%(含)以上方可对激励对象进行授予。

公司绩效目标的达成情况由董事会最终裁决。

## 第四章 股票期权计划所涉及的股票来源

第六条 本计划所涉及的股票来源于熙康开曼的公开发行上市时的预留股份。



## 第五章 股票期权的授予频率、有效期、授予日、归属生效条件及安排

**第七条** 本计划所授股票期权分四期授予，四期合计不超过 1632 万股。

**第八条** 除非根据本计划的规定提前失效，本计划所授的股票期权有效期为 10 年，自董事会确定的首期授予日起至失效日止。每名激励对象获授股票期权的有效期均在本计划所授的股票期权有效期之内。期权有效期内，激励对象在符合本计划约定的情况下可以根据相关规定行权。期权有效期满后，未行权的股票期权应随即终止并做失效处理。

**第九条** 本计划经董事会审议通过。由于授予条件中绩效条件的约束要求，因此授予日应确定在年度绩效考核结束后的日期。

**第十条** 本计划股票期权生效条件与公司绩效结果相挂钩，公司通过年度绩效考核（公司上年绩效目标达成 70%(含)以上）后，员工持有的当年可生效期权可按照归属生效安排归属生效。

**第十一条** 依据本计划授予的股票期权分三年归属生效，满足本计划及《授予协议书》约定的归属生效条件，每名激励对象获授的股票期权可按照如下安排归属生效：

（一）自授予日起满 12 个月后，不超过每名激励对象获授的股票期权数量的 30%可归属生效；

（二）自授予日起满 24 个月后，不超过每名激励对象获授的股票

期权数量的 30%可归属生效；

(三) 自授予日起满 36 个月后，不超过每名激励对象获授的股票期权数量的 40%可归属生效；

至此全部 100%归属生效。

**第十二条** 除非在本计划中另行规定或者由董事会确定并在可适用的《授予协议书》中规定(或其修订中规定)，期权不可以被出售、质押、转让、抵押、转移或以其他任何形式处置。如果拟非按本计划规定质押、分配、担保、转让或以其它方式处置任何期权或任何本计划授予的权利，或对根据本计划授予的权利采用出售、征收或查封或类似程序，该等期权应随即终止并做失效处理，由公司予以注销。

## 第六章 股票期权的行权价格

### 第十三条 股票期权的行权价格的确定办法

本计划基于外部市场公司股权估值最佳实践，综合考虑熙康开曼现状确定行权价格。所授股票期权的行权价及付款方式由董事会在授予时最终确定。

授予的股票期权行权价初步定为 2.94 美元/股，但董事会有权根据届时市场和公司经营情况等因素予以调整。

最终行权价格将会在《授予协议书》中告知。

## 第七章 行权约定

**第十四条** 激励对象持有的已归属生效的股票期权，只有达成如下两种条件之一时方能行权：

（一）**成功上市**：公司成功上市后，激励对象已归属生效的期权可以进行行权，行权时激励对象获得《东软熙康控股有限公司股票期权激励计划行权通知书》和《东软熙康控股有限公司股票期权激励计划行权申请书》所约定的股票数量，且已行权的股票期权份额失效。

（二）**董事会特别批准的期权行权后退出**：在符合国家法律法规的前提下，若期权有效期届满前，公司未能成功上市，为保持长期激励的有效性，董事会可根据公司经营情况决定特别批准行权及相关退出处理。

在本计划第八条规定的每名激励对象获授股权期权的有效期内，达到上述两种条件之一，且满足本计划及《授予协议书》约定的其他条件下，激励对象可以在行权窗口期内（行权窗口期由董事会另行通知）行权。超过本计划第八条规定的每名激励对象获授股权期权的有效期限而仍未行权的股票期权须做失效处理，由公司予以注销。

**第十五条** 为了公司的最大利益，所有可行权或将行权的期权应在行权窗口期内行权。为免疑义，前述规定不应在任何方面影响激励对象在本计划项下享有期权权利。

**第十六条** 期权应在公司收到下列文件和款项时被认为已被行权：

(一) 有权行权的激励对象根据本计划及《授予协议书》的约定作出《东软熙康控股有限公司股票期权激励计划行权申请书》;

(二) 为行权后获得的股份支付的全部对价及任何可适用的预提税(如适用);

(三) 所有经董事会要求出具的陈述说明等其他文件或提出的其他要求(如适用)。

**第十七条** 无论期权是否被行权,至股份被发行(以公司记录册的适当记录或公司适当授权的转让代理机构的记录册的适当记录为证)之前,对于该股份,激励对象不存在作为股东应享有的投票、分红及其他权利。以任何方式进行的任何一次期权的行权都会导致本计划下可授予的期权数量的减少,减少的数额即为每次期权行使的股份数额。

## 第八章 特殊情形的处理

### 第十八条 激励对象离职/解聘

激励对象因辞职或被解聘离开公司时

若该事项发生在上市前：已归属生效未行权部分和已授予未归属生效部分皆自动到期且失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

若该事项发生在上市后：已归属生效未行权部分在离职后 12 个月内可行权，如激励对象在离职后 12 个月之内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除；已授予未归属生效部分自动失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

### 第十九条 激励对象在法定年龄退休且离开工作岗位（不再以任何形式服务于公司）

若该事项发生在上市前：已归属生效未行权部分在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内可全部行权，已授予未归属生效部分，满足本计划及《授予协议书》约定的其他条件后，按照公司整体的生效进度安排予以归属生效，并在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内全部行权，激励对象在前述期限内未行权的，则权利失效，该等失效的股票期权自公

公司已授予的股票期权总数量中扣除。

若该事项发生在上市后：已归属生效未行权部分在退休后 12 个月内行权，激励对象在退休后 12 个月之内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除；已授予未归属生效部分，满足本计划及《授予协议书》约定的其他条件后，按照公司整体的生效进度安排予以归属生效，并在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内全部行权，激励对象在前述期限内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

## **第二十条 激励对象身故或丧失劳动能力**

该事项发生在上市前：已归属生效未行权部分在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内，激励对象的继承人可全部行权，若激励对象的继承人在前述期限内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除；已授予未归属生效部分，满足本计划及《授予协议书》约定的其他条件后，按照公司整体的生效进度安排予以归属生效，并在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内激励对象的继承人可全部行权，激励对象的继承人在前述期限内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

该事项发生在上市后：已行权部分按照现行法律法规及证券交易

市场的相关规则处理；已归属生效未行权部分在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内，激励对象的继承人可全部行权，若激励对象的继承人在前述期限内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

已授予未归属生效部分，满足本计划及《授予协议书》约定的其他条件后，按照公司整体的生效进度安排予以归属生效，并在满足本计划及《授予协议书》约定的全部行权条件后的 12 个月内激励对象的继承人可全部行权，激励对象的继承人在前述期限内未行权的，则权利失效，该等失效的股票期权自公司已授予的股票期权总数量中扣除。

**第二十一条** 如果激励对象有以下情形之一的，则公司有权在任何时间无偿收回、扣除、取消已授予未归属生效的期权以及已归属生效未行权的期权：

- (一) 激励对象违反任何可适用的法律、法规，情节严重并被判定承担刑事责任的；
- (二) 公司或境内公司(视具体情况而定)有足够证据证明激励对象在任职期间，存在泄漏公司商业秘密，损害公司声誉等严重违反公司规章制度或严重违反服务协议(或服务有关的其它合同)的行为；或
- (三) 激励对象严重失职、渎职而给公司或境内公司(视具体情况而定)造成重大损失的。



**第二十二条** 对于其他未列明的特殊情况，如公司发生并购交易、重组、控制权变更、解散或清算等情形，或者发生未能按照适用法律法规要求取得相关政府部门的批准、登记或授权（包括但不限于办理境内个人参与境外上市公司股权激励计划外汇登记）等情形，由董事会认定并最终确定其处理方式。

**第二十三条** 除本计划另有约定外，董事会可以在任何时间发出要约，要求按照其在提出要约时确定并向激励对象通知的条款和条件用现金、股份或其他方式全部买下以前授予的某一期权。

**第二十四条** 全部未能如期生效的股票期权，由人力资源部汇总额度并制定处理方案，提请首席执行官 CEO 审批。

## 第九章 股票期权计划的调整方法和程序

**第二十五条** 若在本计划实施期间，公司有资本公积金转增股本、派送股份红利、股份拆细、配股或缩股等非资本注入的股权变更事项，对应已生效未行权、已授予未生效股票期权份数进行相应的调整。

**第二十六条** 董事会根据上述规定调整相关股份份数或价格后，应及时通知激励对象。因其它原因（包括但不限于适用的上市规则）需要调整本计划或股份份数、行权价格或其它条款的，应经董事会审议通过。

## 第十章 公司与激励对象各自的权利义务

### 第二十七条 公司的权利义务

- (一) 公司根据相关税收法规的规定，代扣代缴激励对象应缴纳的个人所得税及其它税费（如适用）；
- (二) 公司不得为激励对象依股票期权计划行使股票期权提供贷款以及其他任何形式的财务资助，包括为其贷款提供担保；
- (三) 公司应当根据本计划，以及相关监管机构的有关规定，积极配合满足行权条件的激励对象按规定行权。但若因相关监管机构的原因造成激励对象未能按自身意愿行权并给激励对象造成损失的，公司不承担责任；
- (四) 如果根据可适用的法律法规，公司必须取得有关有权监管机构的授权方能合法地发行和出售本计划下的任何股份，而公司无法取得该授权，则公司无须为此承担未能发行或出售有关股份的责任。此外，受制于可适用的法律法规，如果期权激励对象是中华人民共和国居民但无法取得中华人民共和国相关政府部门的授权(包括批准和登记)，而该授权被公司认为是本计划项下合法发行和出售股份所必需的，公司应免除与未发行或出售未获授权部分股份有关的责任，并且如果该等无法获得的情况在公司已发行或出售股份后才被发现或发生，公司有权回赎或要求激励对

象转让该等以董事会决定的条件发行的股份。就前述情形，公司应免除任何回赎责任及转让要求；

(五) 法律、法规规定的其他相关权利义务。

为免疑义，尽管本计划任何其它条款或公司根据本计划签署的任何其它协议有其他规定，股份仅在按照可适用的法律行使期权、发行和交付股份时方得以发行。

## 第二十八条 激励对象的权利义务

(一) 激励对象应当按公司所聘岗位的要求，勤勉尽责、恪守职业道德，为公司的发展做出应有贡献；

(二) 激励对象保证按照本计划的规定行权的资金来源为激励对象自筹合法资金，自行办理所需的任何审批、登记或授权手续（包括但不限于外汇手续）（如适用），并自行承担未能按适用法律法规办理前述手续所产生的风险或责任；

(三) 激励对象有权且应当按照本计划的规定行权，并按规定转让股票；

(四) 激励对象因本计划获得的收益，应按相关税收法规之规定交纳个人所得税及其它税费；

(五) 法律、法规规定的其他相关权利义务。

(六) 本计划或期权均不授予激励对象作为公司持续服务提供者的权利，不构成公司对激励对象持续在公司服务权利的承诺，不构成公司对员工聘用期限的承诺，不应以任何方

式妨碍公司或激励对象所享有的无论任何时候、无论何种原因解除公司与激励对象之间的作为服务提供者关系的权利，公司与激励对象之间的聘用与聘用关系或服务与被服务关系仍按公司与激励对象签订的劳动合同、聘用合同、咨询合同或劳务合同（按适用）执行。

- (七) 本协议及附件（如有）或任何修订的所有条款及内容均属保密信息，激励对象因签订或履行本计划有关协议而从相关协议其他方获取的信息均属保密信息。除非适用法律或有关证券交易所规则另有规定，未经公司事先书面同意，激励对象不得向任何第三方透露，激励对象亦不得为本计划之外之目的使用该等信息。激励对象不得将上述保密信息用于除履行本协议项下义务之外的任何目的，但法律规定中规定须予披露的除外。此保密义务在本计划履行完毕或因任何原因终止后仍对激励对象具有约束力。

## 第十一章 本计划的管理、修订与终止

**第二十九条** 公司董事会指定的人力资源部门作为本计划的管理部门，负责落实执行本计划，并决定及办理本计划的相关事宜。

### **第三十条** 计划的修订

(一) 公司董事会在必要时可以对本计划进行修订。若本计划与中国相关政策、法律法规有任何相悖之处，则以相关政策、法规的规定为准进行相应调整，调整时将在政策、法规的限度内以最有利于保护激励对象的方案进行。

(二) 本计划的修改、补充均须经公司董事会审议通过。

### **第三十一条** 计划的终止

(一) 本计划的有效期自本计划生效之日起，至本计划终止之日止。

(二) 本计划（包括附件）自公司董事会审议批准之日起生效并启动实施。但如果根据公司不时修订的章程的规定，本计划必须经过公司某一（些）股东的同意，则本计划的生效同时取决于这一（些）股东的同意。

(三) 本计划的解释权归属于公司董事会。本计划生效后，可以认为激励对象同意享有本计划下的权利，同时接受本计划的约束，承担相应的义务。

(四) 在本计划有效期内，公司董事会认为有必要时，可提前终止本计划。

## 附则

第三十二条 本计划经熙康开曼董事会审议批准之日起生效。

第三十三条 本计划的最终解释权属于公司董事会。



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**NEUSOFT XIKANG HOLDINGS INC.**

**東軟熙康控股有限公司**

**SHARE OPTION PLAN**

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1. **PURPOSE**

The purpose of this Share Option Plan is to provide incentives and rewards to the directors, employees, advisors, consultants and business partners of the Group for their contributions to, and continuing efforts to promote the interest of, the Company. R17.03(1)

2. **DEFINITION**

2.1 In this Plan, the following expressions have the following meanings, unless the context otherwise requires:

"**Administrator**" means any person(s) duly appointed by the Board to administer the Plan from time to time.

"**associates**" shall have the meaning ascribed to it under the Listing Rules from time to time.

"**Auditors**" means the auditors of the Company from time to time.

"**Board**" means the board of Directors from time to time or a duly authorised committee thereof.

"**Business Day**" means a day on which the Stock Exchange is open for the business of dealing in securities.

"**Chairman**" means the chairman of the Board.

"**Companies Law**" means the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time.

"**Companies Ordinance**" means the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time.

"**Company**" means NEUSOFT XIKANG HOLDINGS INC. 東軟熙康控股有限公司, a company with limited liability incorporated under the laws of the Cayman Islands.

"**Directors**" means directors of the Company from time to time.

"**Effective Date**" means the day when the Plan, as approved and adopted by the Board, takes effect in accordance with clause 3.1 of the Rules.

"**Eligible Participant(s)**" means an individual or entity who may be eligible to participate in the Plan.

"**Exercise Period**" shall have the meaning given to it in sub-clause 6.1.2.

"**Grant Date**" means the date of the Grant Letter.

"**Grant Letter**" means the document in writing for each grant of Options to an Eligible Participant.

"**Grantee**" means the Eligible Participant who accepts or is deemed to have accepted the offer of any Options in accordance with the terms of the Plan or (where the context so permits) a person entitled to any such Options in consequence of the death of the original Grantee.

"**Group**" means the Company and its Subsidiaries and a "**member of the Group**" shall be construed accordingly.

"**Listing Rules**" means the Rules Governing the Listing of Securities on the Stock Exchange.

"**Hong Kong**" means Hong Kong Special Administrative Region of the People's Republic of China.

"**Invested Entity**" means any entity in which any member of the Group holds an equity interest

"**Junior Grantee(s)**" means any Grantee(s) other than a Senior Grantee.

"**Plan**" means this Share Option Plan in its present or any amended form.

"**Senior Grantee(s)**" means the Grantee(s) who is either (i) a Director, or (ii) a member of the senior management of the Company as included in the latest annual report of the Company published on the website of the Stock Exchange immediately before the Grant Date.

"**Share Option(s)**" or "**Option(s)**" means the right to subscribe for a specified number of Shares in issue at the Subscription Price.

"**Shareholders**" means shareholders of the Company from time to time.

"**Shares**" means the ordinary share(s) of a par or nominal value of US\$0.00025 each in the capital of the Company.

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited.

"**Subscription Price**" means the price per Share at which a Grantee may subscribe for Shares on the exercise of Options calculated in accordance with sub-clause 6.1.1.

"**Subsidiary**" means a company which is for the time being and from time to time a subsidiary (its meaning to be construed in accordance with section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere.

"**Takeovers Codes**" means the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong as amended from time to time.

"**HK\$**" means Hong Kong dollars, the lawful currency of Hong Kong.

"**%**" means per cent.

- 2.2 In this Plan, unless otherwise defined or unless the context or subject matter otherwise requires:
- 2.2.1 any reference to Section is a reference to a Section of this Plan;
  - 2.2.2 any reference to a statutory provision shall include a reference to that provision as amended or re-enacted from time to time;
  - 2.2.3 words and phrases defined in the Companies Ordinance shall have the same meanings in this Plan;
  - 2.2.4 headings are inserted for convenience only; and
  - 2.2.5 the singular includes the plural and *vice versa*, words importing gender or the neuter include both genders and the neuter and references to persons includes corporations and unincorporates.

### 3. **CONDITIONS AND TERM OF THE PLAN**

- 3.1 The Plan shall take effect upon all of the following having been satisfied:
- (i) the passing of the necessary resolution to adopt the Plan by the Board and the Shareholders;
  - (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options on the Stock Exchange; and
  - (iii) the commencement of dealings in the Shares on the Stock Exchange.
- 3.2 Subject to Clause 12, the Plan shall be valid and effective for a period of 10 years commencing on the Effective Date, after which period no further Options will be granted under the Plan, but the provisions of the Plan 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 the Plan. R17.03(11)
- 3.3 This Plan shall be subject to the administration of the Board in accordance with the terms and conditions of the Plan. The Board shall have the sole and absolute right to (i) interpret and construe the provisions of the Plan, (ii) determine the Senior Grantees who will be offered Options under the Plan and the Subscription Price in relation to such Options in accordance with the provisions of this Plan, (iii) subject to Clause 10, make such appropriate and equitable adjustments to the terms of the Options granted to Senior Grantees under this Plan as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i), (ii) and (iii). All the above decisions, determinations and interpretations shall be made by a simple majority of the votes of members of the Board with each member having one vote. All the decisions, determinations and interpretations made by the Board in accordance with this Plan shall be final, conclusive and binding on all parties.
- 3.4 Subject to the terms and conditions of the Plan and the written resolutions of the Board, the Chairman shall have the sole and absolute right to (i) determine the Junior Grantees who will be offered Options under the Plan and the Subscription Price in relation to

such Options in accordance with the provisions of this Plan, (ii) subject to Clause 10, make such appropriate and equitable adjustments to the terms of the Options granted to Junior Grantees under this Plan as it deems necessary and (iii) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i) and (ii). Subject to the terms and conditions of the Plan and any prior written resolutions of the Board, all the decisions and determinations made by the Chairman with respect to the Junior Grantees in accordance with this Plan shall be final, conclusive and binding on all parties.

- 3.5 The [Administrator shall be responsible for: (i) applying to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the Plan on the Stock Exchange; (ii) approving the draft announcement to be published by the Company in connection with the grant of Options; and (iii) other administrative work of the Plan as delegated by the Board and the Chairman from time to time.

#### 4. ELIGIBILITY AND GRANT OF OPTIONS

- 4.1 The Eligible Participants for the Plan include (i) any Employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group, any Invested Entity or any business partner; and (ii) any consultant, adviser or agent of any member of the Group, any Invested Entity or any business partner who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity. R17.03(2)
- 4.2 On and subject to the terms of this Plan, the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall be entitled at any time during the operation of this Plan, at its/his sole and absolute discretion, to make an offer of Options to an Eligible Participant by letter in such form as the Board or the Chairman (as the case may be) may from time to time determine. The Board and the Chairman may, from time to time, authorize the chief executive officer of the Company or senior officer of the human resource department of the Company to sign and execute such letters. In determining the basis of offering Options to an Eligible Participant, the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall take into account, without limitations, the employee grade, years of service, overall performance of such Eligible Participant, and/or such factors as the Board may at its discretion consider appropriate, for the purpose of management. R17.03(7)
- 4.3 An offer of Options shall be open for acceptance in writing given by either prepaid post, facsimile transmission, personal delivery or by electronic communication received by the Board or the Chairman (as the case may be), or any person designated by the Board or the Chairman, for such period as the Board or the Chairman (as the case may be) may determine and notify to the Grantee concerned, **provided that** no such offer shall be open for acceptance after the expiry of the duration of the Plan or after this Plan has been terminated in accordance with the provisions hereof. An offer of Options not accepted within this period shall lapse. An offer may not be accepted unless the Grantee remains an Eligible Participant on acceptance.

- 4.4 An amount of HK\$1.00 is payable by the Grantee to the Company upon acceptance of the offer of Options, and such remittance shall not be refundable and shall not be deemed to be a part payment of the Subscription Price. R17.03(8)
- 4.5 [Any offer of Options may be accepted or deemed to have been accepted for a number of Shares less than those offered under the relevant Options **provided that** the number of Shares in respect of the Options accepted constitutes a board lot or an integral multiple thereof for the purposes of trading on the Stock Exchange.] If the offer of Options is not accepted within the period in the manner indicated in Clause 4.3, such offer shall lapse automatically.
- 4.6 The Company may issue a statement in such form as the Administrator shall from time to time determine to any Grantee who has accepted an offer within seven (7) calendar days after the end of the period for acceptance of the offer.
- 4.7 The Options shall not be listed on any stock exchange.
- 4.8 Any grant of Options to a connected person (as defined in the Listing Rules) of the Company, or any of his Associates, shall also comply and be approved in accordance with the applicable requirements of the Listing Rules, including but not limited to: R17.04
- 4.8.1 if Options are granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of the Company (and in the event that the Board offers to grant Options to an independent non-executive director of the Company, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant); R17.04(1)
- 4.8.2 if Options are granted to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under this Plan and any other schemes in the 12-month period up to and including the Grant Date:
- (a) representing in aggregate over 0.1 per cent., or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the Grant Date; and
  - (b) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Grant Date, in excess of HK\$5 million or such other sum as may from time to time be provided under the Listing Rules,

such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company as referred to under paragraph 4.8.1, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting by way of a poll convened and held in accordance with the Articles at which all Connected Persons of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Grant Date for the purpose of calculating the Exercise Price.

- 4.9 For as long as the Shares are listed on the Stock Exchange, an Option must not be made after inside information has come to the knowledge of the Company until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, an Option must not be made during the period commencing one month immediately preceding the earlier of: R17.04
- 4.9.1 the date of the meeting of the Board (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
- 4.9.2 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,
- 4.10 For as long as the Shares are listed on the Stock Exchange, where any Option is proposed to be granted to a director, it shall not be granted on any day on which the financial results of the Company are published and during the period of: A10 para 3(a)
- 4.10.1 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- 4.10.2 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
5. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**
- 5.1 The total number of Shares which may be issued upon exercise of all Options that may be granted under the Plan and any other option scheme involving the issue or grant of options over Shares or other securities by the Company or any of its Subsidiaries shall not in aggregate exceed 10% of the issued share capital of the Company as of the date of listing of the Shares on the Stock Exchange ("**Scheme Limit**"), unless the Company obtains the approval of its shareholders in accordance with Clause 5.2. Options lapsed in accordance with the terms of the Plan or any other scheme shall not be counted for the purpose of calculating the Scheme Limit. R17.03(3)
- 5.2 The Company may seek the approval of its shareholders in general meeting to refresh the Scheme Limit in Clause 5.1 such that the total number of Shares which may be issued upon exercise of all Options that may be granted under the Plan and any other option scheme/plan involving the issue or grant of options over Shares or other securities by the Company under the limit as refreshed shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit. Options previously granted under the Plan or any other option scheme, including options outstanding, cancelled or lapsed in accordance with the relevant option scheme



or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

- 5.3 The Company may seek the approval of its shareholders in general meeting to grant Options which will result in the number of Shares in respect of all the Options granted under the Plan and all the options granted under any other option scheme exceeding 10% of the issued share capital of the Company, provided that such Options are granted only to participants specifically identified by the Company before the approval of its shareholders is sought.
- 5.4 The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Plan and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of the Company from time to time.
- 5.5 No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant under the Plan (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the Grant Date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the Grant Date of such new grant. Any grant of further Options above this limit shall be subject to the requirements provided under the Listing Rules.

## 6. **OPTION TERMS AND EXERCISE OF OPTIONS**

- 6.1 The Grant Letter issued by the Company to the relevant Eligible Participant shall specify, among others, the number of Shares under the Options, the Subscription Price, the Exercise Period, the vesting schedule of the Options and any conditions (including, without limitation, the Stock Exchange granting approval for the listing of and permission to deal in any Shares issued pursuant to the exercise of the Options under the Plan, and the commencement of dealing in the Shares on the Stock Exchange, as well as any performance targets which shall be achieved before the Options can be exercised) in respect of which an offer of the Options are made, and requiring the Eligible Participant to undertake to hold the Options on the terms on which it is to be granted and to be bound by the provisions of this Plan, in particular:

- 6.1.1 **Subscription Price:** the Subscription Price shall be a price determined by the Board or the Chairman (as the case may be) and notified to any Grantee (subject to any adjustments made pursuant to Clause 10) which shall be not less than the highest of: R17.03(9)
- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date of the relevant Options, which must be a Business Day;
  - (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Grant Date of the relevant Options; and
  - (c) the nominal value per Share on the Grant Date.

- 6.1.2 Exercise Period: the Board or the Chairman (as the case may be) may specify the Exercise Period and the vesting schedule of the Options in the Grant Letter, and in all circumstances all Options shall automatically lapse upon the expiry of the tenth (10<sup>th</sup>) anniversary of the Grant Date. Unless the Options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the provisions in Clauses 6.7 and 6.8, the Grantee may exercise his rights under the Plan according to the vesting schedule set out in the relevant Grant Letter.
- 6.2 Any Options shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Options. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Options or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on the part of the Company. R17.03(17)
- 6.3 Subject to Clause 6.1 and the restrictions which may be imposed by the Board or the Chairman (as the case may be), any Options may be exercised in whole or in part [(but if in part only, in respect of a board lot or any integral multiple thereof)] at any time during the Exercise Period by the Grantee (or in the case of his death, his legal personal representatives) giving notice in writing (in such form as the Company may from time to time specify) to the Company stating that the Options are thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given.
- 6.4 When the Options are exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole of the Options granted and a new statement shall be issued accordingly by the Company (pursuant to Clause 4.6) as soon as reasonably practicable after such partial exercise.
- 6.5 The Company shall use all reasonable endeavours to procure that Shares to be allotted and issued upon exercise of any Options shall, upon the allotment and issue thereof (or as soon as practicable), become listed on the Stock Exchange upon which Shares already in issue are listed.
- 6.6 In the event a general offer for Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any Option shall vest and the period within which such Option shall vest and be exercisable. If the Board determines that such Option shall vest, it shall notify the Grantees that such Option shall vest and the period within which such Option shall vest and be exercisable. In the absence of such determination by the Board, the Options shall continue to vest in accordance with their respective vesting timetable.
- 6.7 Notwithstanding any provisions herein, if at the time a Grantee wishes to exercise any Options, the exercise of such Options or the consequence of such exercise is not permitted by applicable laws or the Listing Rules, the Grantee shall not be entitled to

exercise his Options until such exercise becomes permissible by the applicable laws and the Listing Rules.

- 6.8 Subject to Clause 6.8, any Options may be exercised by a Grantee at any time or times during the Exercise Period **provided that:**
- 6.8.1 subject to Clauses 6.8.2 and 6.11.4, if a Grantee ceases to be an eligible Participant for any reason other than on his or her death or the termination of his or her employment on one or more of the grounds specified in Clause 6.11.4, the Grantee may only exercise the Option within a period of 3 months thereafter;
  - 6.8.2 if a Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his or her employment specified in Clause 6.11.4 arises, the personal representative(s) of the Grantee may only exercise the Option within a period of 12 months thereafter;
  - 6.8.3 if a Grantee shall be employed by a subsidiary and the shares in such subsidiary (or in any other subsidiary which is a holding company of such subsidiary) shall be listed on, or become publicly traded on any recognised stock exchange, the Company may, if the Board considers it appropriate, give notices to the Grantee requiring the Grantee to exercise the Option (to the extent not already exercised) to its full extent, or to the extent specified in such notice and on such other terms as the Board shall decide; and
  - 6.8.4 for any other situation not mentioned above, the handling of the Options shall be separately submitted to and approved by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) on a case-by-case basis.
- 6.9 If a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice to the Grantee on the same date as it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court, provided that the relevant options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Plan. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.
- 6.10 If a notice is given to each Grantee of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, each Grantee shall be entitled to exercise all or any of his Options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company. 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 and issue the relevant Shares to the Grantee, credited as fully paid. The right to exercise the Options shall, to the extent that they have not been exercised, terminate immediately on the date of the commencement of the voluntary winding-up of the Company.

6.11 Any Options shall lapse forthwith and not exercisable (to the extent not already exercised), with immediate effect or after such period the Board or the Chairman (as the case may be) may determine, on the earliest of:

6.11.1 the expiry of the Exercise Period;

6.11.2 the expiry of any of the exercise periods referred to in Clause 6.8;

6.11.3 subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the period referred to in Clause 6.9;

6.11.4 the date on which the Grantee ceases to be an eligible Participant by reason of the termination of his or her employment 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 debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty;

6.11.5 subject to the provision in the Clause 6.10, the date of the commencement of the voluntary winding-up of the Company;

6.11.6 the date on which the Board or the Chairman (as the case may be) exercises the Company's right to cancel or forfeit the Options if the Grantee commits any breach of the provisions of Clause 6.2 or Clause 14; and

6.11.7 the date on which the Options are cancelled in accordance with Clause 13.

## 7. **RANKING OF THE SHARES**

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to any Options that have not been exercised. Shares allotted and issued on the exercise of any Options will be subject to all provisions of the Articles of Association of the Company and will rank equally in all respects with the Shares in issue on the date of allotment and issuance. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment and issuance.

R17.03(10)  
R17.03(15)

## 8. **SHARE CAPITAL**

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

## 9. **DISPUTES**

Any dispute arising in connection with this Plan (whether as to the number of Shares which is the subject of any Options, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Board and whose decision shall be final and binding.

## 10. **CHANGES IN CAPITAL STRUCTURE**

10.1 If there is any alteration in the capital structure of the Company while any Options remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to: R17.03(13)

10.1.1 the number of Shares (without fractional entitlements) subject to the Options so far as unexercised; and/or

10.1.2 the Subscription Price; and/or

10.1.3 the maximum number of Shares for which further Options may be granted under this Plan.

10.2 Except alterations made on a capitalisation issue, any alteration to the number of Shares which is the subject of the Options and/or the Subscription Price shall be conditional on the Auditors or the independent financial adviser appointed by the Company confirming by the issue of certificate to the Board that the alteration is in their opinion fair and reasonable, is made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration. No such alteration shall be made to the effect which would be to enable any Share to be issued at less than its nominal value (where applicable) or which would result in the aggregate amount payable on the exercise of any Options in full being increased. The capacity of the Auditors or an independent financial adviser appointed by the Company in this Clause 10 is that of experts and not of 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 or an independent financial adviser appointed by the Company in so certifying shall be borne by the Company.

## 11. **ALTERATION OF THIS PLAN**

R17.03(18)

11.1 The Plan may be altered in any respect by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to extend the class of persons eligible for the grant of options or to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective Associates abstaining from voting).

11.2 No such alterations shall operate to affect adversely the terms of issue of any options granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the

Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

- 11.3 Any alterations to the provisions of the Plan which are of a material nature (except where alterations take effect automatically under the provisions of the Plan) or any change to the terms of options granted must be approved by the Shareholders in general meeting.
- 11.4 No alteration shall operate to affect adversely the terms of issue of any Options granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Options prior to such alteration except with the consent in writing of Grantees holding in aggregate Options which if exercised in full on the Business Day immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date.
- 11.5 Any change to the authority of the Directors in relation to any alteration to the terms of this Plan must be approved by the Shareholders in general meeting.
- 11.6 The amended terms of this Plan or the Options upon the Listing shall comply with the relevant requirements of the Listing Rules (including, without limitation, Chapter 17 of the Listing Rules).
- 11.7 Notwithstanding the foregoing, this Plan may be amended or altered in any aspect by resolution of the Board without the approval of the Shareholders or the Grantees to the extent such amendment or alteration is required by the Listing Rules and/or any applicable legal or regulatory requirements from time to time.

## 12. **TERMINATION**

R17.03(16)

- 12.1 The Board may at any time terminate the operation of this Plan before the end of its life and in such event no further Options will be offered but (save in the case of termination pursuant to the proviso to Clause 3.1) the provisions of this Plan shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under this Plan, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after such termination.

## 13. **CANCELLATION**

R17.03(14)

Unless otherwise provided for in this Plan, any cancellation of Options granted in accordance with this Plan but not exercised must be approved by the Grantee concerned in writing. In the event that the Board or the Chairman (as the case may be) elects to cancel any Options and issue new ones to the same Grantee, the issue of such new Options may only be made with the available unissued Options (excluding the cancelled Options) within the limit set out under Clause 5.

## 14. CONFIDENTIALITY

All Grantees shall strictly comply with the rules of confidentiality. Unless the relevant laws or competent authorities require otherwise, the Grantees shall not ask others or disclose information regarding the granted Options and other relevant information. Any violation of the confidentiality obligation can be deemed as violation of the employment contract, and the Board or the Chairman shall have the right to forfeit any unvested Options of such Grantee or beneficiary.

## 15. MISCELLANEOUS

15.1 The Company shall bear the costs of establishing and administering this Plan.

15.2 The Company shall provide a copy of this Plan to all Grantees who are offered the Options. The Company shall also provide to all Grantees all details relating to changes of the terms of this Plan during the life of this Plan upon such changes taking place.

15.3 The Board shall procure that details of this Plan and other schemes of the Company and its Subsidiaries are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.

R17.07

15.4 This Plan shall not form part of any contract of employment between any of the Company, its Subsidiaries and any Eligible Participant. This Plan shall afford such a Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

15.5 Nothing contained in this Plan or in any related agreement, and no action of the Company or its Subsidiaries or the Board or the Chairman with respect thereto, shall confer or be construed to confer on any Grantee any right to continue in the employment with it or them or interfere in any way with the right of the Company and/or its Subsidiaries to terminate the employment of the Grantee at any time, with or without cause.

15.6 Any notice or other communication between the Company and an Eligible Participant or Grantee shall be in writing and may be given by sending the same through facsimile, electronic communication, or by prepaid post or personal delivery to, in the case of the Company, its designated facsimile number, electronic account or principal place of business in Hong Kong as announced by the Company on the website of the Company or such other address as may be notified to the Eligible Participant and Grantee from time to time and, in the case of the Eligible Participant or Grantee, his designated facsimile number, electronic account or address as notified to the Company or its Subsidiaries from time to time.

15.7 A Grantee shall be entitled to inspect all notices and other documents sent by the Company to Shareholders, which shall be made available to him during normal office hours at the Company's principal place of business in Hong Kong.

15.8 Any notice or other communication served by post:

15.8.1 by the Company shall be deemed to have been served 48 hours after it was placed in the post where the recipient's address is in Hong Kong and seven (7) calendar days where the address is elsewhere; and

15.8.2 by the Eligible Participant or Grantee shall not be deemed to have been served until the same shall have been received by the Company.

In the case of sub-clause 15.8.1, in proving the service of any notice or other communication by post, it will be sufficient to prove that the notice or other communication was properly stamped, addressed and placed in the post.

- 15.9 An Eligible Participant or Grantee, as the case may be, shall be responsible at his sole costs and expenses for obtaining any government or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of any Options, as the case may be. None of the Company or its Subsidiaries shall be responsible for any failure by such person to obtain any such consent or for any tax or other liability to which that person may become subject as a result of his participation in this Plan.
- 15.10 This Plan and all Options granted hereunder shall in all respects be governed by and construed in accordance with the laws of Hong Kong.



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**NEUSOFT XIKANG HOLDINGS INC.**

**東軟熙康控股有限公司**

**SHARE OPTION PLAN**

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1. **PURPOSE**

The purpose of this Share Option Plan is to provide incentives and rewards to the directors, employees, advisors, consultants and business partners of the Group for their contributions to, and continuing efforts to promote the interest of, the Company. R17.03(1)

2. **DEFINITION**

2.1 In this Plan, the following expressions have the following meanings, unless the context otherwise requires:

"**Administrator**" means any person(s) duly appointed by the Board to administer the Plan from time to time.

"**associates**" shall have the meaning ascribed to it under the Listing Rules from time to time.

"**Auditors**" means the auditors of the Company from time to time.

"**Board**" means the board of Directors from time to time or a duly authorised committee thereof.

"**Business Day**" means a day on which the Stock Exchange is open for the business of dealing in securities.

"**Chairman**" means the chairman of the Board.

"**Companies Law**" means the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time.

"**Companies Ordinance**" means the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time.

"**Company**" means NEUSOFT XIKANG HOLDINGS INC. 東軟熙康控股有限公司, a company with limited liability incorporated under the laws of the Cayman Islands.

"**Directors**" means directors of the Company from time to time.

"**Effective Date**" means the day when the Plan, as approved and adopted by the Board, takes effect in accordance with clause 3.1 of the Rules.

"**Eligible Participant(s)**" means an individual or entity who may be eligible to participate in the Plan.

"**Exercise Period**" shall have the meaning given to it in sub-clause 6.1.2.

"**Grant Date**" means the date of the Grant Letter.

"**Grant Letter**" means the document in writing for each grant of Options to an Eligible Participant.

"**Grantee**" means the Eligible Participant who accepts or is deemed to have accepted the offer of any Options in accordance with the terms of the Plan or (where the context so permits) a person entitled to any such Options in consequence of the death of the original Grantee.

"**Group**" means the Company and its Subsidiaries and a "**member of the Group**" shall be construed accordingly.

"**Listing Rules**" means the Rules Governing the Listing of Securities on the Stock Exchange.

"**Hong Kong**" means Hong Kong Special Administrative Region of the People's Republic of China.

"**Invested Entity**" means any entity in which any member of the Group holds an equity interest

"**Junior Grantee(s)**" means any Grantee(s) other than a Senior Grantee.

"**Plan**" means this Share Option Plan in its present or any amended form.

"**Senior Grantee(s)**" means the Grantee(s) who is either (i) a Director, or (ii) a member of the senior management of the Company as included in the latest annual report of the Company published on the website of the Stock Exchange immediately before the Grant Date.

"**Share Option(s)**" or "**Option(s)**" means the right to subscribe for a specified number of Shares in issue at the Subscription Price.

"**Shareholders**" means shareholders of the Company from time to time.

"**Shares**" means the ordinary share(s) of a par or nominal value of US\$0.00025 each in the capital of the Company.

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited.

"**Subscription Price**" means the price per Share at which a Grantee may subscribe for Shares on the exercise of Options calculated in accordance with sub-clause 6.1.1.

"**Subsidiary**" means a company which is for the time being and from time to time a subsidiary (its meaning to be construed in accordance with section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere.

"**Takeovers Codes**" means the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong as amended from time to time.

"**HK\$**" means Hong Kong dollars, the lawful currency of Hong Kong.

"**%**" means per cent.

- 2.2 In this Plan, unless otherwise defined or unless the context or subject matter otherwise requires:
- 2.2.1 any reference to Section is a reference to a Section of this Plan;
  - 2.2.2 any reference to a statutory provision shall include a reference to that provision as amended or re-enacted from time to time;
  - 2.2.3 words and phrases defined in the Companies Ordinance shall have the same meanings in this Plan;
  - 2.2.4 headings are inserted for convenience only; and
  - 2.2.5 the singular includes the plural and *vice versa*, words importing gender or the neuter include both genders and the neuter and references to persons includes corporations and unincorporates.

### 3. **CONDITIONS AND TERM OF THE PLAN**

- 3.1 The Plan shall take effect upon all of the following having been satisfied:
- (i) the passing of the necessary resolution to adopt the Plan by the Board and the Shareholders;
  - (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options on the Stock Exchange; and
  - (iii) the commencement of dealings in the Shares on the Stock Exchange.
- 3.2 Subject to Clause 12, the Plan shall be valid and effective for a period of 10 years commencing on the Effective Date, after which period no further Options will be granted under the Plan, but the provisions of the Plan 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 the Plan. R17.03(11)
- 3.3 This Plan shall be subject to the administration of the Board in accordance with the terms and conditions of the Plan. The Board shall have the sole and absolute right to (i) interpret and construe the provisions of the Plan, (ii) determine the Senior Grantees who will be offered Options under the Plan and the Subscription Price in relation to such Options in accordance with the provisions of this Plan, (iii) subject to Clause 10, make such appropriate and equitable adjustments to the terms of the Options granted to Senior Grantees under this Plan as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i), (ii) and (iii). All the above decisions, determinations and interpretations shall be made by a simple majority of the votes of members of the Board with each member having one vote. All the decisions, determinations and interpretations made by the Board in accordance with this Plan shall be final, conclusive and binding on all parties.
- 3.4 Subject to the terms and conditions of the Plan and the written resolutions of the Board, the Chairman shall have the sole and absolute right to (i) determine the Junior Grantees who will be offered Options under the Plan and the Subscription Price in relation to

such Options in accordance with the provisions of this Plan, (ii) subject to Clause 10, make such appropriate and equitable adjustments to the terms of the Options granted to Junior Grantees under this Plan as it deems necessary and (iii) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i) and (ii). Subject to the terms and conditions of the Plan and any prior written resolutions of the Board, all the decisions and determinations made by the Chairman with respect to the Junior Grantees in accordance with this Plan shall be final, conclusive and binding on all parties.

- 3.5 The [Administrator shall be responsible for: (i) applying to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the Plan on the Stock Exchange; (ii) approving the draft announcement to be published by the Company in connection with the grant of Options; and (iii) other administrative work of the Plan as delegated by the Board and the Chairman from time to time.

#### 4. ELIGIBILITY AND GRANT OF OPTIONS

- 4.1 The Eligible Participants for the Plan include (i) any Employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group, any Invested Entity or any business partner; and (ii) any consultant, adviser or agent of any member of the Group, any Invested Entity or any business partner who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity. R17.03(2)
- 4.2 On and subject to the terms of this Plan, the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall be entitled at any time during the operation of this Plan, at its/his sole and absolute discretion, to make an offer of Options to an Eligible Participant by letter in such form as the Board or the Chairman (as the case may be) may from time to time determine. The Board and the Chairman may, from time to time, authorize the chief executive officer of the Company or senior officer of the human resource department of the Company to sign and execute such letters. In determining the basis of offering Options to an Eligible Participant, the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) shall take into account, without limitations, the employee grade, years of service, overall performance of such Eligible Participant, and/or such factors as the Board may at its discretion consider appropriate, for the purpose of management. R17.03(7)
- 4.3 An offer of Options shall be open for acceptance in writing given by either prepaid post, facsimile transmission, personal delivery or by electronic communication received by the Board or the Chairman (as the case may be), or any person designated by the Board or the Chairman, for such period as the Board or the Chairman (as the case may be) may determine and notify to the Grantee concerned, **provided that** no such offer shall be open for acceptance after the expiry of the duration of the Plan or after this Plan has been terminated in accordance with the provisions hereof. An offer of Options not accepted within this period shall lapse. An offer may not be accepted unless the Grantee remains an Eligible Participant on acceptance.

- 4.4 An amount of HK\$1.00 is payable by the Grantee to the Company upon acceptance of the offer of Options, and such remittance shall not be refundable and shall not be deemed to be a part payment of the Subscription Price. R17.03(8)
- 4.5 [Any offer of Options may be accepted or deemed to have been accepted for a number of Shares less than those offered under the relevant Options **provided that** the number of Shares in respect of the Options accepted constitutes a board lot or an integral multiple thereof for the purposes of trading on the Stock Exchange.] If the offer of Options is not accepted within the period in the manner indicated in Clause 4.3, such offer shall lapse automatically.
- 4.6 The Company may issue a statement in such form as the Administrator shall from time to time determine to any Grantee who has accepted an offer within seven (7) calendar days after the end of the period for acceptance of the offer.
- 4.7 The Options shall not be listed on any stock exchange.
- 4.8 Any grant of Options to a connected person (as defined in the Listing Rules) of the Company, or any of his Associates, shall also comply and be approved in accordance with the applicable requirements of the Listing Rules, including but not limited to: R17.04
- 4.8.1 if Options are granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of the Company (and in the event that the Board offers to grant Options to an independent non-executive director of the Company, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant); R17.04(1)
- 4.8.2 if Options are granted to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under this Plan and any other schemes in the 12-month period up to and including the Grant Date:
- (a) representing in aggregate over 0.1 per cent., or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the Grant Date; and
  - (b) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Grant Date, in excess of HK\$5 million or such other sum as may from time to time be provided under the Listing Rules,

such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company as referred to under paragraph 4.8.1, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting by way of a poll convened and held in accordance with the Articles at which all Connected Persons of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Grant Date for the purpose of calculating the Exercise Price.

- 4.9 For as long as the Shares are listed on the Stock Exchange, an Option must not be made after inside information has come to the knowledge of the Company until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, an Option must not be made during the period commencing one month immediately preceding the earlier of: R17.04
- 4.9.1 the date of the meeting of the Board (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
- 4.9.2 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,
- 4.10 For as long as the Shares are listed on the Stock Exchange, where any Option is proposed to be granted to a director, it shall not be granted on any day on which the financial results of the Company are published and during the period of: A10 para 3(a)
- 4.10.1 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- 4.10.2 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
5. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**
- 5.1 The total number of Shares which may be issued upon exercise of all Options that may be granted under the Plan and any other option scheme involving the issue or grant of options over Shares or other securities by the Company or any of its Subsidiaries shall not in aggregate exceed 10% of the issued share capital of the Company as of the date of listing of the Shares on the Stock Exchange ("**Scheme Limit**"), unless the Company obtains the approval of its shareholders in accordance with Clause 5.2. Options lapsed in accordance with the terms of the Plan or any other scheme shall not be counted for the purpose of calculating the Scheme Limit. R17.03(3)
- 5.2 The Company may seek the approval of its shareholders in general meeting to refresh the Scheme Limit in Clause 5.1 such that the total number of Shares which may be issued upon exercise of all Options that may be granted under the Plan and any other option scheme/plan involving the issue or grant of options over Shares or other securities by the Company under the limit as refreshed shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit. Options previously granted under the Plan or any other option scheme, including options outstanding, cancelled or lapsed in accordance with the relevant option scheme



or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

- 5.3 The Company may seek the approval of its shareholders in general meeting to grant Options which will result in the number of Shares in respect of all the Options granted under the Plan and all the options granted under any other option scheme exceeding 10% of the issued share capital of the Company, provided that such Options are granted only to participants specifically identified by the Company before the approval of its shareholders is sought.
- 5.4 The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Plan and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of the Company from time to time.
- 5.5 No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant under the Plan (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the Grant Date of such new grant exceeding 1% in aggregate of the issued share capital of the Company as at the Grant Date of such new grant. Any grant of further Options above this limit shall be subject to the requirements provided under the Listing Rules.

## 6. **OPTION TERMS AND EXERCISE OF OPTIONS**

- 6.1 The Grant Letter issued by the Company to the relevant Eligible Participant shall specify, among others, the number of Shares under the Options, the Subscription Price, the Exercise Period, the vesting schedule of the Options and any conditions (including, without limitation, the Stock Exchange granting approval for the listing of and permission to deal in any Shares issued pursuant to the exercise of the Options under the Plan, and the commencement of dealing in the Shares on the Stock Exchange, as well as any performance targets which shall be achieved before the Options can be exercised) in respect of which an offer of the Options are made, and requiring the Eligible Participant to undertake to hold the Options on the terms on which it is to be granted and to be bound by the provisions of this Plan, in particular:

- 6.1.1 **Subscription Price:** the Subscription Price shall be a price determined by the Board or the Chairman (as the case may be) and notified to any Grantee (subject to any adjustments made pursuant to Clause 10) which shall be not less than the highest of: R17.03(9)
- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date of the relevant Options, which must be a Business Day;
  - (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Grant Date of the relevant Options; and
  - (c) the nominal value per Share on the Grant Date.

- 6.1.2 Exercise Period: the Board or the Chairman (as the case may be) may specify the Exercise Period and the vesting schedule of the Options in the Grant Letter, and in all circumstances all Options shall automatically lapse upon the expiry of the tenth (10<sup>th</sup>) anniversary of the Grant Date. Unless the Options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the provisions in Clauses 6.7 and 6.8, the Grantee may exercise his rights under the Plan according to the vesting schedule set out in the relevant Grant Letter.
- 6.2 Any Options shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Options. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Options or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on the part of the Company. R17.03(17)
- 6.3 Subject to Clause 6.1 and the restrictions which may be imposed by the Board or the Chairman (as the case may be), any Options may be exercised in whole or in part [(but if in part only, in respect of a board lot or any integral multiple thereof)] at any time during the Exercise Period by the Grantee (or in the case of his death, his legal personal representatives) giving notice in writing (in such form as the Company may from time to time specify) to the Company stating that the Options are thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given.
- 6.4 When the Options are exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole of the Options granted and a new statement shall be issued accordingly by the Company (pursuant to Clause 4.6) as soon as reasonably practicable after such partial exercise.
- 6.5 The Company shall use all reasonable endeavours to procure that Shares to be allotted and issued upon exercise of any Options shall, upon the allotment and issue thereof (or as soon as practicable), become listed on the Stock Exchange upon which Shares already in issue are listed.
- 6.6 In the event a general offer for Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any Option shall vest and the period within which such Option shall vest and be exercisable. If the Board determines that such Option shall vest, it shall notify the Grantees that such Option shall vest and the period within which such Option shall vest and be exercisable. In the absence of such determination by the Board, the Options shall continue to vest in accordance with their respective vesting timetable.
- 6.7 Notwithstanding any provisions herein, if at the time a Grantee wishes to exercise any Options, the exercise of such Options or the consequence of such exercise is not permitted by applicable laws or the Listing Rules, the Grantee shall not be entitled to

exercise his Options until such exercise becomes permissible by the applicable laws and the Listing Rules.

- 6.8 Subject to Clause 6.8, any Options may be exercised by a Grantee at any time or times during the Exercise Period **provided that:**
- 6.8.1 subject to Clauses 6.8.2 and 6.11.4, if a Grantee ceases to be an eligible Participant for any reason other than on his or her death or the termination of his or her employment on one or more of the grounds specified in Clause 6.11.4, the Grantee may only exercise the Option within a period of 3 months thereafter;
  - 6.8.2 if a Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his or her employment specified in Clause 6.11.4 arises, the personal representative(s) of the Grantee may only exercise the Option within a period of 12 months thereafter;
  - 6.8.3 if a Grantee shall be employed by a subsidiary and the shares in such subsidiary (or in any other subsidiary which is a holding company of such subsidiary) shall be listed on, or become publicly traded on any recognised stock exchange, the Company may, if the Board considers it appropriate, give notices to the Grantee requiring the Grantee to exercise the Option (to the extent not already exercised) to its full extent, or to the extent specified in such notice and on such other terms as the Board shall decide; and
  - 6.8.4 for any other situation not mentioned above, the handling of the Options shall be separately submitted to and approved by the Board (in the case of Senior Grantees) or the Chairman (in the case of Junior Grantees) on a case-by-case basis.
- 6.9 If a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice to the Grantee on the same date as it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court, provided that the relevant options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Plan. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.
- 6.10 If a notice is given to each Grantee of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, each Grantee shall be entitled to exercise all or any of his Options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company. 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 and issue the relevant Shares to the Grantee, credited as fully paid. The right to exercise the Options shall, to the extent that they have not been exercised, terminate immediately on the date of the commencement of the voluntary winding-up of the Company.

6.11 Any Options shall lapse forthwith and not exercisable (to the extent not already exercised), with immediate effect or after such period the Board or the Chairman (as the case may be) may determine, on the earliest of:

6.11.1 the expiry of the Exercise Period;

6.11.2 the expiry of any of the exercise periods referred to in Clause 6.8;

6.11.3 subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the period referred to in Clause 6.9;

6.11.4 the date on which the Grantee ceases to be an eligible Participant by reason of the termination of his or her employment 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 debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty;

6.11.5 subject to the provision in the Clause 6.10, the date of the commencement of the voluntary winding-up of the Company;

6.11.6 the date on which the Board or the Chairman (as the case may be) exercises the Company's right to cancel or forfeit the Options if the Grantee commits any breach of the provisions of Clause 6.2 or Clause 14; and

6.11.7 the date on which the Options are cancelled in accordance with Clause 13.

## 7. **RANKING OF THE SHARES**

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to any Options that have not been exercised. Shares allotted and issued on the exercise of any Options will be subject to all provisions of the Articles of Association of the Company and will rank equally in all respects with the Shares in issue on the date of allotment and issuance. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment and issuance.

R17.03(10)  
R17.03(15)

## 8. **SHARE CAPITAL**

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

## 9. **DISPUTES**

Any dispute arising in connection with this Plan (whether as to the number of Shares which is the subject of any Options, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Board and whose decision shall be final and binding.

## 10. **CHANGES IN CAPITAL STRUCTURE**

10.1 If there is any alteration in the capital structure of the Company while any Options remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to: R17.03(13)

10.1.1 the number of Shares (without fractional entitlements) subject to the Options so far as unexercised; and/or

10.1.2 the Subscription Price; and/or

10.1.3 the maximum number of Shares for which further Options may be granted under this Plan.

10.2 Except alterations made on a capitalisation issue, any alteration to the number of Shares which is the subject of the Options and/or the Subscription Price shall be conditional on the Auditors or the independent financial adviser appointed by the Company confirming by the issue of certificate to the Board that the alteration is in their opinion fair and reasonable, is made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration. No such alteration shall be made to the effect which would be to enable any Share to be issued at less than its nominal value (where applicable) or which would result in the aggregate amount payable on the exercise of any Options in full being increased. The capacity of the Auditors or an independent financial adviser appointed by the Company in this Clause 10 is that of experts and not of 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 or an independent financial adviser appointed by the Company in so certifying shall be borne by the Company.

## 11. **ALTERATION OF THIS PLAN**

R17.03(18)

11.1 The Plan may be altered in any respect by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to extend the class of persons eligible for the grant of options or to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective Associates abstaining from voting).

11.2 No such alterations shall operate to affect adversely the terms of issue of any options granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the

Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

- 11.3 Any alterations to the provisions of the Plan which are of a material nature (except where alterations take effect automatically under the provisions of the Plan) or any change to the terms of options granted must be approved by the Shareholders in general meeting.
- 11.4 No alteration shall operate to affect adversely the terms of issue of any Options granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Options prior to such alteration except with the consent in writing of Grantees holding in aggregate Options which if exercised in full on the Business Day immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date.
- 11.5 Any change to the authority of the Directors in relation to any alteration to the terms of this Plan must be approved by the Shareholders in general meeting.
- 11.6 The amended terms of this Plan or the Options upon the Listing shall comply with the relevant requirements of the Listing Rules (including, without limitation, Chapter 17 of the Listing Rules).
- 11.7 Notwithstanding the foregoing, this Plan may be amended or altered in any aspect by resolution of the Board without the approval of the Shareholders or the Grantees to the extent such amendment or alteration is required by the Listing Rules and/or any applicable legal or regulatory requirements from time to time.

## 12. **TERMINATION**

R17.03(16)

- 12.1 The Board may at any time terminate the operation of this Plan before the end of its life and in such event no further Options will be offered but (save in the case of termination pursuant to the proviso to Clause 3.1) the provisions of this Plan shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under this Plan, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after such termination.

## 13. **CANCELLATION**

R17.03(14)

Unless otherwise provided for in this Plan, any cancellation of Options granted in accordance with this Plan but not exercised must be approved by the Grantee concerned in writing. In the event that the Board or the Chairman (as the case may be) elects to cancel any Options and issue new ones to the same Grantee, the issue of such new Options may only be made with the available unissued Options (excluding the cancelled Options) within the limit set out under Clause 5.

## 14. CONFIDENTIALITY

All Grantees shall strictly comply with the rules of confidentiality. Unless the relevant laws or competent authorities require otherwise, the Grantees shall not ask others or disclose information regarding the granted Options and other relevant information. Any violation of the confidentiality obligation can be deemed as violation of the employment contract, and the Board or the Chairman shall have the right to forfeit any unvested Options of such Grantee or beneficiary.

## 15. MISCELLANEOUS

15.1 The Company shall bear the costs of establishing and administering this Plan.

15.2 The Company shall provide a copy of this Plan to all Grantees who are offered the Options. The Company shall also provide to all Grantees all details relating to changes of the terms of this Plan during the life of this Plan upon such changes taking place.

15.3 The Board shall procure that details of this Plan and other schemes of the Company and its Subsidiaries are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.

R17.07

15.4 This Plan shall not form part of any contract of employment between any of the Company, its Subsidiaries and any Eligible Participant. This Plan shall afford such a Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

15.5 Nothing contained in this Plan or in any related agreement, and no action of the Company or its Subsidiaries or the Board or the Chairman with respect thereto, shall confer or be construed to confer on any Grantee any right to continue in the employment with it or them or interfere in any way with the right of the Company and/or its Subsidiaries to terminate the employment of the Grantee at any time, with or without cause.

15.6 Any notice or other communication between the Company and an Eligible Participant or Grantee shall be in writing and may be given by sending the same through facsimile, electronic communication, or by prepaid post or personal delivery to, in the case of the Company, its designated facsimile number, electronic account or principal place of business in Hong Kong as announced by the Company on the website of the Company or such other address as may be notified to the Eligible Participant and Grantee from time to time and, in the case of the Eligible Participant or Grantee, his designated facsimile number, electronic account or address as notified to the Company or its Subsidiaries from time to time.

15.7 A Grantee shall be entitled to inspect all notices and other documents sent by the Company to Shareholders, which shall be made available to him during normal office hours at the Company's principal place of business in Hong Kong.

15.8 Any notice or other communication served by post:

15.8.1 by the Company shall be deemed to have been served 48 hours after it was placed in the post where the recipient's address is in Hong Kong and seven (7) calendar days where the address is elsewhere; and

15.8.2 by the Eligible Participant or Grantee shall not be deemed to have been served until the same shall have been received by the Company.

In the case of sub-clause 15.8.1, in proving the service of any notice or other communication by post, it will be sufficient to prove that the notice or other communication was properly stamped, addressed and placed in the post.

- 15.9 An Eligible Participant or Grantee, as the case may be, shall be responsible at his sole costs and expenses for obtaining any government or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of any Options, as the case may be. None of the Company or its Subsidiaries shall be responsible for any failure by such person to obtain any such consent or for any tax or other liability to which that person may become subject as a result of his participation in this Plan.
- 15.10 This Plan and all Options granted hereunder shall in all respects be governed by and construed in accordance with the laws of Hong Kong.