

**CHINA WANTIAN HOLDINGS LIMITED**  
**中國萬天控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 1854)

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**SHARE OPTION SCHEME**

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(Adopted by an ordinary resolution passed by shareholders of the Company at the annual general meeting of the Company on [•] 2024)

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*(incorporated in the Cayman Islands with limited liability)*

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1. DEFINITIONS AND INTERPRETATION

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

“Adoption Date”	[•] 2024, the date on which adoption of this Scheme was approved by the Shareholders;
“associate”	has the meaning ascribed to it under the Listing Rules;
“associated company”	in relation to a company, any body corporate or other entity whose results are recorded in that company’s financial statements using the equity method of accounting;
“Auditors”	the auditors of the Company for the time being;
“Board”	the board of directors of the Company for the time being and from time to time or a duly authorised committee thereof;
“Business Day”	any day on which the Shares are available for trading on the Stock Exchange;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“close associate”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Wantian Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1854);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“core connected person”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	in respect of an Option, the date (which shall be a Business Day) on which the Offer is made to an Eligible Participant, whether or not the Offer is subject to the Shareholders’ approval;
“Eligible Participant(s)”	any eligible participant of this Scheme (as determined by the Board pursuant to paragraph 4) who is an Employee Participant or a Related Entity Participant whom the Board

	considers, in its sole discretion, to have contributed or will contribute to the Group;
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) or employee of the Company or any Subsidiary, including any person who is granted any Option as an inducement to enter into any employment contract with the Company or any Subsidiary;
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, including the legal personal representative of the original Grantee;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“INED”	an independent non-executive director of the Company for the time being and from time to time;
“inside information”	has the meaning ascribed to it in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as may be amended from time to time;
“New Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 11.3;
“Offer”	the offer of an Option made in accordance with paragraph 5;
“Option(s)”	option(s) to subscribe for the Shares pursuant to this Scheme;
“Option Period”	in respect of an Option, the period during which the Grantee may exercise the Option subject to the terms of this Scheme, which is determined and notified by the Board to the Grantee at the time of making an Offer and must not be more than 10 years from the Date of Grant;
“Previous Scheme”	the share option scheme adopted by the Company on 26 September 2016;
“Related Entity	directors and employees of the holding companies, fellow

Participant(s)”	subsidiaries or associated companies of the Company;
“Remuneration Committee”	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 ascribed to it in paragraph 11.1;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.01 each (or of such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the share capital of the Company;
“share scheme”	has the meaning ascribed to it under Chapter 17 of the Listing Rules;
“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 subject to paragraph 6;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme. References herein to “paragraphs” are to paragraphs of this Scheme. Words importing the singular include the plural and *vice versa*, words importing a gender or the neuter include both genders and the neuter, and references to persons include bodies corporate or unincorporate.
- 1.3 References in this Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.4 References (express or implied) in this Scheme to ordinances, statutory or regulatory provisions and the Listing Rules shall be construed as references to those ordinances, statutory or regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the Adoption Date) from time to time and shall include any provisions of which there

are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant ordinances, statutory or regulatory provisions or the Listing Rules.

1.5 In construing this Scheme:

- (a) the rule known as the *ejusdem generis* rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. CONDITIONS

2.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company approving the termination of the Previous Scheme, the adoption of this Scheme and authorising the directors of the Company to grant Options to Eligible Participants and to allot, issue and deal in the Shares pursuant to the exercise of any Option granted under this Scheme; and
- (b) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the exercise of the Options which may be granted under this Scheme in accordance with the terms and conditions of this Scheme.

3. PURPOSE, DURATION AND ADMINISTRATION

3.1 The purposes of this Scheme are to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, as well as to motivate Eligible Participants to contribute to the success of the Group’s operations. This Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

3.2 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. Without prejudice to the foregoing and subject to the terms of this Scheme, the Board shall have the right to:

- (a) interpret and construe the provisions of this Scheme;
- (b) determine the persons (if any) to whom the Company shall offer Options, and

the number of Shares in respect of the Options offered and the Subscription Price;

- (c) subject to paragraphs 13 and 16 make such adjustments to the terms of the Options granted under this Scheme to the relevant Grantee as the Board deems appropriate with written notification of such adjustment to the relevant Grantee; and
- (d) make such other decisions or determinations as it deems appropriate in relation to the Offers and/or the administration of this Scheme provided that the same are not inconsistent with the provisions of this Scheme and the Listing Rules.

Without prejudice to the generality of the foregoing, the Board may delegate the administration of the exercise of the Options and the delivery of Shares thereafter to third party professional service providers as it thinks fit.

- 3.3 Subject to paragraphs 2 and 18, this Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date and shall expire at the close of business on the Business Day immediately preceding the tenth (10<sup>th</sup>) anniversary thereof, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects 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. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant after the end of Option Period.
- 3.4 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 nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand 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 or omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.

#### 4. ELIGIBLE PARTICIPANTS

- 4.1 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution or potential contribution to the success of the Group's operations and enhancing the value of the Company and its Shares.
- 4.2 In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions or potential contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing or future development of the Group, the value which such Eligible Participant has brought to the Group's business and development and whether granting Options to

such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to contribute towards the success of the Group's operations and development.

4.3 In determining the eligibility of each Eligible Participant, the Board shall consider on a case-by- case basis. Generally:

4.3.1 with respect to an Employee Participant, the Board shall consider, among other things, his previous working experience, the experience, working performance and time commitment of the Employee Participant on the Group's business, the length of employment, office or service of the Employee Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Employee Participant has given or will give towards the Group's success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Employee Participant to the Group.

4.3.2 with respect to the Related Entity Participants, the Board shall consider all relevant factors as appropriate, including, among other things:

- (a) the participation, contribution, degree of involvement in and/or cooperation with the Group and responsibility taken up or to be taken up by the Related Entity Participants towards the success of the Group's operations and development or enhancing the value of the Company and its Shares;
- (b) the positive impacts brought by, or expected to be brought by, the Related Entity Participants on the Group's business development in terms of financial performance or financial position;
- (c) whether the Related Entity Participants have referred or introduced opportunities to the Group which have materialised into further business relationships;
- (d) whether the Related Entity Participants have assisted the Group in tapping into new markets and/or increasing its market share; and
- (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participants' contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.

## 5. GRANT OF OPTIONS

5.1 On and subject to the terms of this Scheme and the Listing Rules, the Board shall be entitled at any time within ten (10) years after the Adoption Date to make an Offer to any Eligible Participant as the Board may at its absolute discretion select to take up an Option pursuant to which such Eligible Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms

may at the discretion of the Board, include, among other things, (i) the vesting period of the Option; (ii) a performance target (which the Board considers to be appropriate and may include, without limitation, business performance and financial performance of the Group or specific business unit(s), attaining of corporate goals, and/or individual performance appraisal) that must be achieved before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

- 5.2 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant for a period of 21 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Eligible Participant to whom the Offer is made has ceased to be an Eligible Participant.
- 5.3 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- 5.4 An Offer is deemed to be accepted when the Company receives from the Grantee the offer letter signed by the Grantee specifying the number of Shares in respect of the Option(s) accepted and a remittance to the Company of HK\$1.00 as the aggregate consideration for the grant of Option(s). Such remittance is not refundable in any circumstances.
- 5.5 Any Offer must be accepted in whole or in respect of less than the number of Shares in respect of the Option(s) offered provided that it is accepted in a whole board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in the manner indicated in paragraph 5.4 within 21 days from the date on which the offer letter is delivered to the Eligible Participant, it shall be deemed to have been irrevocably declined by such Eligible Participant.
- 5.6 An Offer may not be made after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information. In particular, the Company shall not grant any Option during the period commencing one month immediately preceding the earlier of:
- (a) 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
  - (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, and where an Option is granted to a director of the Company:



- (a) no Options shall be granted during the period of 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
- (b) during the period of 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.

For the avoidance of doubt, the period during which no Option shall be granted mentioned above shall include any period of delay in the publication of a results announcement.

## 6. SUBSCRIPTION PRICE

6.1 The Subscription Price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:-

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (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 the Shares on the Date of Grant.

6.2 For the purpose of calculating the Subscription Price, the Date of Grant shall be deemed as the date of Board meeting at which the relevant Offer is approved.

## 7. VESTING PERIOD

7.1 Save for the circumstances prescribed in paragraph 7.2 which may only apply to Employee Participants, every Grantee must hold an Option for at least 12 months before he can exercise such Option.

7.2 An Employee Participant may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of the Board or the Remuneration Committee (where the Employee Participant is a director or a member of the senior management of the Company) in any of the following circumstances:

- (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 to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants that are made in batches during a year for compliance reasons, which include Options that should have been granted earlier if not for such compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to

reflect the time from which the Option would have been granted;

(d) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and

(e) grants with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which are considered appropriate to provide flexibility to grant Options (i) as part of competitive terms and conditions to induce valuable talent to join the Group (subparagraphs (a) and (d)); (ii) to reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (b) and (c)); (iii) to reward exceptional performers with accelerated vesting (sub-paragraph (d)); and (iv) to motivate exceptional performers based on performance metrics rather than time (sub paragraph (e)).

Save and except for the above prescribed circumstances which are only applicable to Employee Participants and for the avoidance of doubt, notwithstanding the circumstances as described under paragraphs 9.5(c), (e), (f), (g) and (h), the vesting period for Options granted to Eligible Participants shall not be less than 12 months.

## 8. PERFORMANCE TARGETS

8.1 If and to the extent that any performance target is required to be achieved by any Grantee before an Option is capable of being exercised, particulars of such targets shall be specified in the Offer. Unless otherwise set out in this Scheme, as imposed by the Board pursuant to paragraph 5.1 above or stated in the relevant offer letter, there is not any performance targets required to be achieved by any Grantee before an Option is capable of being exercised.

8.2 The performance target, if any, shall be assessed in accordance with one or more of the following performance measure(s) (the “**Performance Measure(s)**”), or derivations of such Performance Measure(s) that may be related to the individual Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Eligible Participant, including but not limited to, cash flow, earnings, earnings per share, market value or economic value added, profits, return on assets, return on equity, return on investment, sales, revenue, share price, total shareholder return, customer satisfaction metrics, operating results and such other goal, and/or individual performance appraisal as the Board may determine from time.

8.3 For Employee Participants, each performance target may be assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Board (or, in case the Grantee is a director or a senior manager of the Company, the Remuneration Committee) in its sole discretion. For Related Entity Participants, the assessment will be based on the quality of support provided to the Group and the level of contributions to the Group with reference to the nature and background of the Related Entity Participant.

8.4 Notwithstanding the foregoing, no Options being offered to any INED shall contain any

performance target unless the Board is satisfied that such target will not lead to any bias in the decision-making or compromise the objectivity and independence in the course of performance of the duties of the Grantee as an INED.

## 9. EXERCISE OF OPTIONS

- 9.1 Subject to the terms of this Scheme, an Option may be exercised in whole or in part (in a whole board lot of the Shares which are traded on the Stock Exchange at the time of such exercise or an integral multiple thereof) at any time during the period to be determined and notified by the directors of the Company to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the Date of Grant of the particular Option but subject to the provisions for early termination of this Scheme.
- 9.2 An Option and an Offer 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 create any interest (legal or beneficial) in favour of any other person over or in relation to any Option held by him or any Offer made to him or attempt to do so, except where applicable under the Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Options to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements under the Listing Rules or for the transmission of an Option on the death of the Grantee to his personal representative(s) on terms of this Scheme.
- 9.3 Any breach of the restrictions set out in paragraph 9.2 by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.
- 9.4 An Option may, subject to the provisions of paragraph 9.5, be exercised in whole or in part (in a whole board lot of the Shares which are traded on the Stock Exchange at the time of such exercise or an integral multiple thereof) by the Grantee by giving notice in writing to the Company (in such manner as may from time to time be specified by the Company) stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each notice must be accompanied by a remittance for, or evidence of such other method of cash settlement as may be approved by the Company from time to time of, the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance or other form of cash settlement as may be approved by the Company from time to time of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company pursuant to paragraph 13, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee or the relevant custodian of clearing house for credit for the benefit of the Grantee, credited as fully paid, and issue to the Grantee (as may be required) a share certificate in respect of the Shares so allotted.

9.5 Subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof:-

- (a) in the event of the Grantee ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment or removal of directorship as specified in paragraph 10(f) having arisen, his legal personal representative may exercise the Option up to the Grantee's entitlement (whether vested or not) as at the date of his death (to the extent not already exercised) within the period of 12 months following his death, provided that where any of the events set out in paragraphs 9.5(e), (f), (g) and (h) occurs prior to his death or within such period of 6 months following his death, then his legal personal representative may so exercise the Option only within the various periods respectively set out in such paragraphs provided further that if within a period of three (3) years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 10(f) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;
- (b) in the event of a Grantee who is an Employee Participant ceasing to be an Eligible Participant for any reason other than his death or the termination of his employment or the termination or removal from his directorship on one or more of the grounds, as specified in paragraph 10(f), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment or directorship (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary, whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
- (c) in the event of a Grantee who is a Related Entity Participant ceasing to be an Eligible Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month prior to the date of such cessation determine the period within which the Option (or such remaining part thereof, whether vested or not) shall be exercisable following the date of such cessation;
- (d) in the event of a Grantee ceasing to be an Eligible Participant by reason of the termination of his employment on one or more of the grounds, or removal from directorship, as specified in paragraph 10(f), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on the date of termination of his employment or directorship, and to the extent the Grantee has exercised the Option in whole or in part pursuant to paragraph 9.4 but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price received by the Company in respect of the purported exercise of such Option;

- (e) in the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (f) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulations, becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option (whether vested or not) in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as notified by the Company;
- (f) in the event 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 notify all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company;
- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees who have Options unexercised on the date of such notification and any such Grantee may at any time thereafter (but before such time as notified by the Company being not less than ten Business Days prior to the date of the proposed Shareholders' meeting) exercise the Option (whether vested or not) to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee or the custodian of clearing house for credit for the benefit of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and
- (h) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 9.5(f), between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees, who have Options unexercised on the date of such notification, on the same date as it gives notice of the meeting to the Shareholders or its creditors to consider such compromise or arrangement, and the Grantee may, at any time thereafter but before such time as notified by the Company, exercise the Option (whether vested or not) either to its full extent or to the extent notified by the Company. In the event such compromise or arrangement is sanctioned by the court and becomes effective, the Company may require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Options pursuant to this paragraph so as to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement and each Grantee must transfer or deal with the Shares in accordance with the request of the Company.

9.6 For the purpose of paragraph 9.5(b), subject to the sole discretion of the Board, a

Grantee shall not be regarded as ceasing to be an Eligible Participant if he ceases to hold a position of directorship or employment with the Company or any Subsidiary but at the same time takes up a different position of directorship or employment with the Company or the Subsidiary, as the case may be.

- 9.7 The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holders of such Shares to all dividends or other distributions paid or made after the allotment date, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the allotment date.
- 9.8 An Eligible Participant shall ensure that any exercise of his Option under this paragraph is valid and complies with all laws, legislations and regulations to which he is subject. The directors of the Company may, as a condition precedent of issuing Shares upon an exercise of an Option, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.

#### 10. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in paragraphs 9.5(a), (b), (c) or (g);
- (c) the expiry of the period referred to in paragraph 9.5(e) subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin or continue to run (as the case may be) until the discharge of the order in question;
- (d) the expiry of the period referred to in paragraph 9.5(f) subject to the scheme of arrangement becoming effective;
- (e) the date of the commencement of the winding-up of the Company;
- (f) the date on which the Grantee (who is an Employee Participant) ceases to be an Eligible Participant:
  - (i) by reason of the termination of his employment on the grounds that he 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 debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily or pursuant to the respective employment contract, or

- (ii) by reason of the removal of his directorship in accordance with the constitutional documents of the Company or such Subsidiary and the laws of the jurisdiction in which the Company or such Subsidiary is incorporated.

A resolution of the Board or Shareholders or the board of directors or shareholders of the relevant Subsidiary to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in this paragraph 10(f)(i) or the Grantee has been removed as a director shall be conclusive and binding on the Grantee;

- (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 or has become insolvent or has made any arrangement or composition with its creditors generally;
- (h) where the Grantee is a Related Entity Participant, the date on which the Board shall at its absolute discretion determine that: (a) the Grantee has committed any breach of any contract entered into between the Grantee, his/its associate and/or the relevant related entity on the one part and any member of the Group on the other part; (b) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with its creditors generally; or (c) the Grantee and/or the relevant related entity which the Grantee served could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever;
- (i) where the Grantee is an Employee Participant or a Related Entity Participant of a member of the Group (other than the Company), the date on which such member ceases to be a Subsidiary of the Company;
- (j) the date on which the Grantee commits a breach of the restrictions set out in paragraph 9.2; and
- (k) subject to paragraphs 9.5 and 9.6, the date on which the Grantee ceases to be an Eligible Participant for any other reason.

## 11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 11.1 The total number of Shares which may be issued upon the exercise of all Options and all options and awards to be granted under any other share schemes of the Company shall not in aggregate exceed 10% of the Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 11.3 or 11.5.
- 11.2 Options or awards lapsed in accordance with the terms of this Scheme or any other share schemes of the Company shall not be taken into account for determining the extent to which the Scheme Mandate Limit has been utilised.
- 11.3 The Scheme Mandate Limit may be “refreshed” by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders’ approval for the last refreshment. The maximum aggregate number of Shares which

may be issued underlying the awards and/or options over new Shares under this Scheme and any other share scheme of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the aggregate of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit (excluding any Options or awards lapsed in accordance with the terms of the respective share schemes) (the “**New Scheme Mandate Limit**”).

- 11.4 No refreshment shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with rules 17.03C(1)(b) and (c) of the Listing Rules.
- 11.5 Notwithstanding the foregoing provisions, the Company may seek separate approval by the Shareholders in a general meeting for granting Options or awards beyond the Scheme Mandate Limit provided that the number and terms of such Options or awards and the identities of the Grantees have been determined before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options or awards, the number and terms of the Options or awards to be granted to each Eligible Participant, and the purpose of granting Options or awards to the specified Eligible Participants with an explanation as to how the terms of the Options or awards serve such purpose. The number and terms of Options or awards to be granted to such Eligible 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.

## 12. ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

- 12.1 Where any Offer proposed to be made to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding the options and the awards lapsed in accordance with terms of the share schemes of the Company) in the 12-month period up to and including the Date of Grant representing in aggregate over 1% of the Shares in issue on the Date of Grant, such Offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The number and terms of the Options or awards to be further granted to such Grantee must be fixed before Shareholders’ approval. In respect of any Options to be further granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.
- 12.2 Any 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 INEDs (excluding those INEDs who are the proposed Grantees of the Options in question).
- 12.3 Where any Offer proposed to be made to an INED or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding the options and the awards lapsed in accordance with terms of the share schemes of the



Company) in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1% of the Shares in issue on the Date of Grant, such Offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such person, his associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution.

- 12.4 In the circumstances described in paragraph 12.3, the Company must send a circular to the Shareholders. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular must contain: (a) details of the number and terms of the Options to be granted to each Eligible Participant including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules, which must be fixed before the Shareholders' meeting; (b) the views of the INED (excluding any INED who is the proposed 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 voting; and (c) the information required under Rules 17.02(2)(c) and 2.17 of the Listing Rules. 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 under Rule 17.03E of the Listing Rules.
- 12.5 Any change in the terms of the Options granted to a Grantee who is a director, or a chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme). For the avoidance of doubt, the requirements for the grant to a director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Grantee is only a proposed director or chief executive of the Company.

### 13. REORGANISATION OF CAPITAL STRUCTURE

- 13.1 In the event of a capitalisation issue, bonus issue, rights issue, open offer, sub-division or consolidation of Shares or reduction of capital (other than an issue of Shares as consideration in respect of a transaction), whilst any Option remains outstanding in that it is granted and yet to be exercised (and has not lapsed or been cancelled), corresponding adjustments (if any) shall be made to:-
- (i) the number of Shares subject to this Scheme;
  - (ii) the number of Shares subject to outstanding Options;
  - (iii) the Subscription Price in relation to each outstanding Options; and/or
  - (iv) the method of exercise of the Options,
- or any combination thereof, provided that:-
- (a) any such adjustments give a Grantee the same proportion of the equity capital

of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled;

notwithstanding paragraph 13.1(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor that is calculated taking into account guidance / interpretation of the Listing Rules as may be issued by the Stock Exchange from time to time including, as of the date this Scheme is adopted, the supplementary guidance set out in “Frequently Asked Questions” numbered 072-2020 published by the Stock Exchange, but no such adjustments shall be made to the extent that a Share would be issued at a price less than its nominal value.

- 13.2 In respect of any adjustment made by the Company under paragraph 13.1 (other than adjustment made on a capitalisation issue), the Company shall engage the Auditors or an independent financial advisor to certify in writing, either generally or in regard to any particular Grantee, that the adjustment satisfies the requirements set out in paragraph 13.1 above. The capacity and role of the Auditors or the independent financial adviser (as the case may be) in this paragraph 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 the independent financial adviser shall be borne by the Company.
- 13.3 If there has been any alteration in the capital structure of the Company as referred to in paragraph 13.1, the Company shall within 28 days after receipt of a confirmation of the independent financial advisor or the Auditors as referred to in paragraph 13.2, inform the Grantee of such alteration and of any adjustment to be made in accordance with the independent financial adviser’s or the Auditors’ confirmation obtained by the Company for such purposes.
- 13.4 Notwithstanding the aforesaid, if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by the Shareholders, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all share schemes of the Company under the Scheme Mandate Limit shall automatically be proportionately adjusted provided that such maximum number of shares as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

#### 14. SHARE CAPITAL

- 14.1 The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- 14.2 The Options do not carry any right to vote at any general meeting of the Company, or any right to dividend or transfer or any other rights, including those arising on the liquidation of the Company.
- 14.3 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an

Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option. A Share issued upon the exercise of an Option shall not carry any right of a Shareholder (including voting rights) until the registration of the Grantee as the holder thereof.

15. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares in respect of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

16. ALTERATION OF THIS SCHEME

The Board or scheme administrator (if any) to whom the Board delegates its duty of administering this Scheme is entitled to amend the terms of this Scheme without the Shareholders' approval, provided that:

- (a) any alteration to the term of this Scheme which is of a material nature or any alteration to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in general meeting;
- (b) any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be), unless such change of terms takes effect automatically under existing terms of this Scheme;
- (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board or scheme administrators to alter the terms of this Scheme must be approved by the Shareholders in general meeting.

17. CANCELLATION

- 17.1 Any Options granted but not exercised may be cancelled if the Grantee so agrees, as the Board may at its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of the restrictions set out in paragraph 9.2, the Board may cancel any outstanding Option without the relevant Grantee's agreement.
- 17.2 Where the Company cancels Options of a Grantee and grants new Options to the same

Grantee, such grant may only be made if the Scheme Mandate Limit will not be exceeded as a result of Shares issued pursuant to exercise of the Options so granted and for the purpose of calculating the Scheme Mandate Limit, the cancelled Options will be regarded as utilised.

## 18. TERMINATION AND CLAWBACK MECHANISM

18.1 The Company by ordinary resolution in general meeting or the Board may at any time terminate this Scheme and in such event no further Options may be granted but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of Options which are granted during the life of this Scheme and (a) which remain unexercised and of which Offer Period remain unexpired immediately prior to the termination of this Scheme or (b) which are exercised but the Shares in respect of such Options have not yet been issued to the relevant Grantees by the Company immediately prior to the termination of this Scheme.

18.2 Unless the Board otherwise determined and provided in the Offer, where there has been an occurrence of misconduct during the Option Period such as:

- (a) any material misstatements or omissions in the Company's financial statements by a Grantee;
- (b) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information;
- (c) any termination of employment contracts by a Grantee without notice or payment in lieu of notice;
- (d) any conviction of any criminal offence by a Grantee involving integrity or honesty;  
or
- (e) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group,

the Options may be subject to clawback as considered and recommended by the Remuneration Committee and determined and approved by the Board where appropriate. The clawback of Options granted to the directors and senior management of the Company, and any grants of Options to the directors and senior management of the Companies without clawback, shall be further subject to the approval of the Remuneration Committee and satisfaction of any other requirements under the Listing Rules. The Options that are clawed back pursuant to this paragraph shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be).

## 19. MISCELLANEOUS

- 19.1 The Company shall bear the costs of establishing and administering this Scheme.
- 19.2 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders, except for notices and documents which are uploaded to the website of the Stock Exchange and/or the Company.
- 19.3 Any notice or other communication between the Company and a Grantee may be given by sending the same by pre-paid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong for the time being and, in the case of the Grantee, his address as notified to the Company from time to time.
- 19.4 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 was actually received by the Company which shall send an acknowledgement of receipt to such Grantee upon receipt.
- 19.5 Any notice or other communication served by either party by hand shall be deemed to be served when delivered.
- 19.6 Any notice or other communication between the Company and a Grantee may be given by sending the same by email to, in the case of the Company, the email address of the company secretarial department and, in the case of a Grantee who is an employee of the Company or any Subsidiary, his office email address and in the case of any other Grantee, his email address as notified to the Company from time to time. Any notice or other communication served by email shall be deemed to be served when delivered.
- 19.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of his Option. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of the participation in this Scheme or the exercise of any Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay tax or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company.
- 19.8 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 other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Options to the Eligible Participants and to determine the Subscription Price, to any director of the Company or any committee established by the Board from time to time.

- 19.9 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Grantee, and the rights and obligations of any such Grantee under the terms of his office or employment or engagement shall not be affected by his 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 or engagement for any reason.
- 19.10 A Grantee who is a director of the Company may, subject to applicable laws in the Cayman Islands, the Company's articles of association and subject as herein otherwise provided, notwithstanding his interest, vote on any Board resolution concerning this Scheme (other than in respect of his own participation therein).
- 19.11 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or, other than in relation to the rights attached to the Options themselves, give rise to any cause of action at law or in equity against the Company.
- 19.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

-End of Scheme-