

EDA Group Holdings Limited

RULES OF THE PRE-IPO SHARE OPTION SCHEME

DENTONS

3201, Jardine House
1 Connaught Place,
Central
Hong Kong
Tel: +852 2523 1819
Fax: +852 2868 0069

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EDA Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

RULES OF THE PRE-IPO SHARE OPTION SCHEME

1. **DEFINITIONS**

1.1 In this Scheme, except where the context otherwise requires, the following words and expressions have the following meanings:

“**Acceptance Date**” means the date upon which an offer for an Option must be accepted by the relevant Eligible Participant which date shall be not later than 14 days after the Offer Date provided that no such offer shall be open for acceptance after the expiry of the Option Period or after the termination of this Scheme;

“**Adoption Date**” means May 14, 2024, the date on which this Scheme was conditionally adopted by an ordinary resolution of the shareholders of the Company;

“**Approved Independent Financial Adviser**” means such independent financial adviser as approved by the Board;

“**Articles**” means the memorandum of association and articles of association of the Company as amended from time to time;

“**Auditors**” means the auditors for the time being of the Company;

“**Board**” means the board of directors of the Company for the time being or a duly authorized committee thereof;

“**Board Lot**” means the board lot in which the Shares are traded on the Stock Exchange from time to time;

“**Business Day**” means a day on which the Stock Exchange is open for the business of dealing in securities;

“**Cancelled Shares**” means those Shares which were the subject of Options which had been granted and accepted under this Scheme or any of the other schemes but subsequently cancelled;

“**Commencement Date**” means, in respect of an Option, the date upon which the Option Period commences;

“**Companies Act**” means the Companies Act of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect;

“**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 EDA Group Holdings Limited, a limited liability company incorporated in the Cayman Islands;

“**Eligible Participants**” means any full-time employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of the

Company or any of its Subsidiaries who, in the absolute discretion of the Board, has contributed or will contribute to the Group;

“**Exercise Price**” means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as determined by the Board in accordance with paragraph 5;

“**Expiry Date**” means, in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option;

“**Global Offering**” means the Hong Kong Public Offer and the International Placing as defined in the Prospectus;

“**Grantee**” means any Eligible Participant who accepts an offer of grant of an Option in accordance with the rules of this Scheme;

“**Group**” means the Company, its subsidiaries or any of them, or where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time;

“**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People's Republic of China;

“**Listing Date**” means the date on which the Shares commence dealings on the Main Board of the Stock Exchange;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

“**Offer Date**” means in respect of an Option, the date on which such Option is offered in writing to an Eligible Participant (which must be a Business Day);

“**Offer Document**” means a document by which an offer of Options is made to an Eligible Participant, in such form the Board may from time to time determine;

“**Option**” means a right granted by the Company under the Scheme, which right permits (but does not obligate) a Grantee to subscribe for Shares in accordance with the terms of this Scheme;

“**Option Period**” means in respect of an Option, the period to be notified by the Board to each Grantee within which an Option may be exercisable provided that such period of time shall not exceed a period of five years commencing on the Commencement Date;

“**Personal Representative(s)**” means a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;

“**Prospectus**” means the prospectus of the Company in respect of the Global Offering;

“**this Scheme**” or “**the Scheme**” means the pre-IPO share option scheme, the rules of which are set out in this document in its present or any amended form;

“**Scheme Limit**” has the meaning ascribed to it in paragraph 8;

“**Scheme Period**” means a period commencing on the Adoption Date and ending on the fifth anniversary of the Listing Date (both dates inclusive);

“**Shares**” means ordinary shares of US\$0.01 each in the capital of the Company or, if there has been a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“**Special Resolution**” means a resolution passed at a meeting of the Grantees (being only those Grantees holding the Options, all or any part of which is unexercised as at the time of the meeting at which the resolution is proposed) duly convened and held and carried by a majority consisting of not less than three-fourths of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on a poll;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued share capital of the Company is primarily listed;

“**Subsidiary**” has the meaning ascribed to it in section 15 of the Companies Ordinance;

“**US\$**” means the United States dollars, the lawful currency of the United States of America; and

“**Vesting Period**” means the vesting period as described in the respective Grantee’s Offer Document.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and
- (f) a reference to a “**person**” shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. **CONDITIONS**

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

- (a) the passing of the necessary resolutions by the Board and the shareholders of the Company to approve and adopt the rules of this Scheme;
 - (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Option under this Scheme;
 - (c) the obligations of the Underwriters (as defined in the Prospectus) under the Underwriting Agreements (as defined in the Prospectus) becoming unconditional (including, if relevant, following the waiver(s) of any conditions by the Sole Sponsor (as defined in the Prospectus) (acting for and on behalf of the Underwriters (as defined in the Prospectus)) and not being terminated in accordance with their terms or otherwise; and
 - (d) the commencement of dealings in the Shares on the Stock Exchange.
- 2.2 Unless otherwise approved by the Board, if the conditions in paragraph 2.1 are not satisfied within six calendar months from the Adoption Date:
- (a) this Scheme shall forthwith terminate;
 - (b) any Option granted or agreed to be granted pursuant to this Scheme and any offer of such a grant shall be of no effect; and
 - (c) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of this Scheme or any Option.

3. PURPOSE, DURATION AND CONTROL OF THIS SCHEME

- 3.1 The purpose of this Scheme is to provide an incentive for Eligible Participants and to reward their performance with rights which permit a Grantee to subscribe for Shares in the Company in accordance with terms of this Scheme and to own the Company in proportion with his contribution to the Company and/or any of its Subsidiaries.
- 3.2 Subject to paragraph 13 and fulfilment of the conditions in paragraph 2, this Scheme shall be valid and effective during the Scheme Period after which no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme, and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the provisions of this Scheme.
- 3.3 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 (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (i) interpret and construe the provisions of this Scheme, (ii) determine the persons who will be awarded Options under this Scheme, and the number and Exercise Price of Options awarded thereto, (iii) make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

4. **OPTIONS**

- 4.1 The Board shall, subject to and in accordance with the provisions of this Scheme and the Listing Rules, be entitled to but shall not be bound, at any time on any Business Day during the Scheme Period but excluding the Listing Date to offer to grant an Option to any Eligible Participant whom the Board may in its absolute discretion select before the Listing Date and subject to the Vesting Period and such other conditions (including, without limitation, any performance targets which must be achieved before an Option can be exercised) as it may think fit as specified in the relevant Offer Document, provided that the maximum number of Shares in respect of which Options may be granted under this Scheme to any Eligible Participant shall not exceed 31,212,000 Shares and approximately 7.09% per-cent of the issued share capital of the Company immediately upon the completion of the Global Offering, assuming the Over-allotment Option (as defined in the Prospectus) is not exercised, and excluding any Shares which may be issued upon the exercise of the options granted or to be granted under this Scheme and the Post-IPO Share Option Scheme (as defined in the Prospectus) or the vesting of restricted share units granted under the Pre-IPO RSU Plan and Post-IPO RSU Plan (as defined in the Prospectus).
- 4.2 If the Board determines to offer an Option to an Eligible Participant, the Board shall forward to the relevant Eligible Participant an Offer Document which states or, alternatively, documents accompanying the Offer Document which state, among others:-
- (a) the Eligible Participant's name, address and occupation;
 - (b) the Offer Date;
 - (c) the Acceptance Date;
 - (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
 - (e) the number of Shares in respect of which the Option is offered;
 - (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
 - (g) the Expiry Date in relation to that Option;
 - (h) the method of acceptance of the Option which, unless the Board otherwise determines, shall be as set out in paragraph 4.3; and
 - (i) such other terms and conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets, which are in general absent unless otherwise determined by the Board and stated in the Offer Document, and must be achieved before the Option can be exercised) relating to the offer of the Option which in the opinion of the Board are fair and reasonable.
- 4.3 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate Offer Document constituting acceptance of the Option duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable and

shall be deemed as part payment of the Exercise Price. Upon acceptance, the Option is granted as from the Offer Date.

- 4.4 Any offer to grant an Option may be accepted in respect of less than the number of Shares for which it is offered, provided that it must be accepted in respect of a Board Lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, and such number is clearly stated in the duplicate Offer Document constituting acceptance of the Option in the manner as set out in paragraph 4.3. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.
- 4.5 The Options shall not be listed or dealt on the Stock Exchange.
- 4.6 An Option and an offer to grant an Option shall be personal to the Grantee and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any offer relating to the grant of an Option made to him or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

5. **EXERCISE PRICE**

The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 9, be determined by the Board in its sole discretion. However, in no circumstances shall the Exercise Price be less than the par value of the Shares as amended as a result of any sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

6. **EXERCISE OF OPTIONS**

- 6.1 Subject to paragraphs 6.2, 6.3 and 6.4, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one Board Lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Approved Independent Financial Adviser as the case may be pursuant to paragraph 10, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.
- 6.2 The manner in which the Grantees is entitled to exercise their Option shall be set out in the respective Grantee's Offer Document.
- 6.3 The exercise of any Option shall be subject to approval of the shareholders of the Company in general meeting of any necessary increase in the authorised share capital of the Company.
- 6.4 Unless otherwise provided in the respective Grantee's Offer Document, subject as hereinafter provided and only to the extent to which the Option is exercisable pursuant to paragraph 6.2 hereof but is not exercised, an Option may be exercised by a Grantee at any

time or times during the Option Period provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than on his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in paragraph 7(e), the Grantee may exercise the Option up to his entitlement at the date of his cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not);
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under paragraph 7(e) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised);
- (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms *mutatis mutandis*, and assuming that they shall become, by the exercise in full of the Options granted to them as shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;
- (d) if a compromise or arrangement between the Company and its shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Act, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form

part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with paragraph 6.1, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.
- 6.5 No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising from liquidation of the Company as attached to the fully paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.
- 6.6 Options granted under this Scheme shall be subject to such vesting conditions as set forth in this Scheme and the respective Grantee's Offer Document. In addition to such other performance-based vesting conditions (if any) set forth in the respective Grantee's Offer Document and unless otherwise approved by the Board in writing, (i) the vesting schedule requires continued employment of or service by the respective Grantee through each applicable vesting date as a condition to the vesting of the applicable percentage of the Option and the rights and benefits under this Scheme and the respective Grantee's Offer Document, and (ii) employment or service for only a portion of the respective Vesting period, even if a substantial portion, will not entitle the respective Grantee to any proportionate vesting of the Option.

7. LAPSE OF OPTION

Unless otherwise provided in the respective Grantee's Offer Document, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:-

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 6.4;
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph 6.4(d) becomes effective;
- (d) the date of commencement of the winding-up of the Company (as determined in accordance with the Companies Act);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
- (f) the date that is thirty (30) days after the date on which the Grantee is terminated by the Company and/or any of its Subsidiaries on a ground other than those set forth in paragraph 7(e);
- (g) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 4.6 or the Options are cancelled in accordance with paragraph 14; and
- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Document.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 The maximum number of Shares in respect of which Options under this Scheme may be granted is 31,212,000, representing approximately 7.09% of the issued share capital of the Company immediately upon the completion of the Global Offering, assuming the Over-allotment Option (as defined in the Prospectus) is not exercised, and excluding any Shares which may be issued upon the exercise of the options granted or to be granted under this Scheme and the Post-IPO Share Option Scheme (as defined in the Prospectus), or the vesting of restricted share units granted under the Pre-IPO RSU Plan and the Post-IPO RSU Plan (as defined in the Prospectus) (the "**Scheme Limit**"). As at the Offer Date of any proposed grant of Options, the maximum number of Shares in respect of which Options may be granted is the Scheme Limit less the aggregate of the following Shares as at that Offer Date:

- (a) the number of Shares which would be issued on the exercise in full of the Options but not cancelled, lapsed or exercised;
- (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Options; and
- (c) the number of Cancelled Shares.

For the avoidance of doubt, Options that have lapsed in accordance with the terms of this Scheme will not be counted towards the Scheme Limit.

- 8.2 The Scheme Limit referred to in paragraph 8.1 shall be adjusted, in such manner as the Auditors shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph 9 whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company.

9. CAPITAL RESTRUCTURING

- 9.1 In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division or consolidation of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding Options;
- (b) the Exercise Price; and/or
- (c) the number of Shares subject to this Scheme,

as the Auditors shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have as near as possible the same proportion of the equity capital of the Company as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event. The capacity of the Auditors in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

- 9.2 For the avoidance of doubt, in no circumstances shall the Exercise Price be less than the par value of the Shares.

10. SUFFICIENT SHARE CAPITAL

Subject to paragraph 6.3, the Board shall at all times set aside for the purposes of this Scheme, out of the authorized but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

11. **DISPUTES**

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

12. **ALTERATION OF THIS SCHEME**

12.1 The terms and conditions of this Scheme and the regulations for the administration and operation of this Scheme (provided that the same are not inconsistent with this Scheme) may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be), including without limitation, the definitions of “**Eligible Participant**”, “**Expiry Date**”, “**Grantee**” and “**Option Period**” in paragraph 1.1 and the provisions in paragraphs 3, 4, 5, 6, 7, 8, 9, 13, 14, 15 and this paragraph 12; or
- (b) any material alteration to the terms and conditions of this Scheme or any change to the terms of Options granted (except any alterations which take effect automatically under the terms of this Scheme), or any change to the authority of the Board in respect of alteration of this Scheme,

must be made with the prior approval of the shareholders of the Company in general meeting at which any person to whom or for whose benefit the Shares may be issued under this Scheme shall abstain from voting PROVIDED THAT no alteration shall operate to affect adversely the terms of issue of any Option 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 Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date 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; or
- (ii) the sanction of a Special Resolution.

Written notice of any alterations made in accordance with this paragraph 12.1 shall be given to all Grantees.

12.2 In respect of any meeting of Grantees referred to in paragraph 12.1, all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:-

- (a) not less than seven (7) days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options entitling them to the issue of at least one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Options then outstanding unless there is only one Grantee holding all Options then outstanding, in which case the quorum shall be one Grantee;

- (c) every Grantee present in person or by proxy at any such meeting shall be entitled, on a show of hands to one vote, and on a poll to one vote, for each Share to which he would be entitled upon exercise in full of his Options then outstanding;
- (d) any Grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

13. **TERMINATION**

- 13.1 The Company, by ordinary resolution in general meeting or the Board, may at any time resolve to terminate the operation of this Scheme and in such event, no further Option shall be offered or granted, but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with this Scheme.
- 13.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of any new scheme established after the termination of this Scheme.

14. **CANCELLATION OF OPTIONS**

Any cancellation of Options granted but not exercised must be approved in writing by the Grantees of the relevant Options. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 4.6. Where the Company cancels Options, the grant of new Options to the same Grantee may only be made with available Options to the extent not yet granted (excluding Cancelled Options) within the limits set out in paragraphs 4.1 and 8.1.

15. **DISCLOSURE IN ANNUAL AND INTERIM REPORTS**

The Board shall procure that details of this Scheme, 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.

16. **GENERAL**

- 16.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Approved Independent Financial Adviser, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 16.2 No person shall, under any circumstances, hold the Board and/or the Company and/or other Participants liable for any costs, losses, expenses and/or damages whatsoever arising from

or in connection with the Scheme or the administration thereof.

- 16.3 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him, during normal office hours at the Company's headquarters in Hong Kong.
- 16.4 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its headquarters in Hong Kong and, in the case of the Grantee, his address as notified to the Company from time to time.
- 16.5 Any notice or other communication served:-
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 16.6 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consent under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The obtaining of such consents shall be a condition precedent to an acceptance of an Offer and an exercise of his Option by a Grantee. By accepting an Offer or exercising his Option, the Grantee is deemed to have represented to the Company that he has fulfilled such condition. 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.
- 16.7 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 give rise to any cause of action at law or in equity against the Company.
- 16.8 This Scheme shall not form part of any contract of employment/service between the Company or any of its Subsidiaries and any Eligible Participant who is an employee or consultant of the Company and/or any of its Subsidiaries and the rights and obligations of any Eligible Participant under the terms of his office, employment or service shall not be affected by his participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 16.9 The Company shall maintain all necessary books of account and records relating to the Scheme.
- 16.10 This Scheme shall in all respects be administered by the Board which (a) shall administer the Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the Listing Rules for the conduct of the Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.

16.11 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his interest, vote on any Board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefit under the Scheme.

17. **GOVERNING LAW**

This Scheme and all Options granted hereunder are governed by and shall be construed in accordance with the laws of Hong Kong.