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**YADEA GROUP HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**SHARE OPTION SCHEME**  
(Adopted by the Shareholders on 17 June 2024)

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1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Scheme each of the following words and expressions shall, unless the context requires otherwise, have the following meaning:

<b>"Adoption Date"</b>	means the date of adoption of the Scheme by the Shareholders;
<b>"Associate(s)"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Auditors"</b>	means the auditors for the time being of the Company;
<b>"Board"</b>	means the board of Directors or a duly authorised committee thereof;
<b>"business day"</b>	means a day on which the Stock Exchange is open for the business of dealing in securities;
<b>"Close Associate (s)"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Commencement Date"</b>	means the date upon which the Share Option is accepted or deemed to be accepted in accordance with paragraph 4.3;
<b>"Company"</b>	means Yadea Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability;
<b>"Connected Person"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Controlling Shareholders"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Date of Grant"</b>	means the date on which an Offer is made to an Eligible Participant, which must be a business day;
<b>"Director(s)"</b>	means any director of the Company for the time being;
<b>"Eligible Participant(s)"</b>	means any Employee Participant which the Board considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from being an Eligible Participant;

<b>"Employee Participant(s)"</b>	means Director(s) (excluding independent non-executive Directors) and employee(s) of the Company or any of its subsidiaries (including person(s) who is/are granted shares or options under the Scheme as an inducement to enter into employment contracts with the Company or its subsidiary);
<b>"Entitlement"</b>	means the proportion of a Share Option which is not exercised and remains exercisable from time to time during the Option Period as stipulated in the conditions of exercise of the Share Option specified by the Board;
<b>"Grantee(s)"</b>	means any Eligible Participant who accepts the offer or grant of a Share Option in accordance with the terms of the Scheme or (where the context so permits) a person or persons who is or becomes entitled to exercise any such Share Option under the terms of the Scheme or by operation of law, either in consequence of the death or incapacity of such Eligible Participant or otherwise;
<b>"Group"</b>	means the Company and its Subsidiaries;
<b>"Hong Kong"</b>	means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>"Listing Rules"</b>	means the Rules Governing the Listing of Securities on the Stock Exchange from time to time;
<b>"Offer(s)"</b>	means an offer of the grant of an Option made in accordance with paragraph 4;
<b>"Option(s)"</b>	means a right to subscribe for Shares pursuant to the Scheme;
<b>"Option Period"</b>	means the period to be determined and notified by the Board to each Grantee during which the Option may be exercised and in any event shall commence on any day after 12 months of the Commencement Date, subject to any shorter vesting period approved by the Board and/or the remuneration committee of the Company in accordance with paragraph 4.3 and shall end not later than the 10th anniversary of the relevant Commencement Date, subject to the provisions for early termination contained in paragraph 7;
<b>"Option Price"</b>	means the amount, if any, payable for each acceptance of grant of Option(s) as determined by the Board from time to time;
<b>"Scheme"</b>	means this share option scheme in its present or any amended form;
<b>"Scheme Mandate Limit"</b>	means the number of Shares which may be issued in respect of all options to be granted under the Scheme, which must not exceed 153,190,000 Shares (representing 5% of the total number of Shares in issue as at the date of the Shareholders' approval of the Scheme);
<b>"Shareholders"</b>	means the holders of Shares;

<b>"Shares"</b>	means fully paid ordinary shares of US\$0.00001 each in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, sub-division or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
<b>"Stock Exchange"</b>	means The Stock Exchange of Hong Kong Limited;
<b>"Subscription Price"</b>	means the price per Share at which each Share subject to an Option may be subscribed on the exercise of that Option, subject to paragraphs 5 and 10;
<b>"Subsidiary"</b>	means a subsidiary (within the meaning of Section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) for the time being of the Company whether incorporated in the Cayman Islands, Hong Kong or elsewhere;
<b>"Substantial Shareholder"</b>	has the meaning ascribed thereto under the Listing Rules;
<b>"Supplementary Guidance"</b>	the "Frequently asked questions on adjustments of the exercise price of share options" (FAQ No.072–2020) published by the Stock Exchange and its attachment "Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule" (as may be amended and updated from time to time)
<b>"HK\$" </b>	means Hong Kong dollars, the lawful currency for the time being of Hong Kong; and
<b>"US\$" </b>	means United States dollars, the lawful currency for the time being of United States of America.

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 paragraph headings are inserted for convenience only and do not affect the interpretation of the Scheme;
- 1.2.2 words in the singular include the plural and vice versa;
- 1.2.3 words denoting the masculine gender include the feminine gender; and
- 1.2.4 a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted.

## 2. **CONDITIONS**

2.1 The Scheme is conditional on:

- 2.1.1 the approval by the Shareholders in general meeting to adopt the Scheme, to authorise the Board to grant Options under the Scheme and to allot and issue Shares pursuant to the exercise of any Option;
- 2.1.2 the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of any Option, and
- 2.1.3 the Cayman Islands Monetary Authority granting approval for the issue of Options under the Scheme and the issue of Shares pursuant to the exercise of such Options, if applicable.

### **3. PURPOSE, DURATION AND ADMINISTRATION**

- 3.1 The purpose of the Scheme is 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. The Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants.
- 3.2 Subject to the fulfilment of the conditions in paragraphs 2 and subject to paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10 year period referred to in this paragraph 3.2, the provisions of the Scheme shall remain in full force and effect.
- 3.3 The Scheme shall be subject to the administration of the Board, whose decision shall be final and binding on all parties. Subject to the requirements of the Listing Rule, the provisions of this Scheme, and any applicable laws or regulations, the Board shall have the right to: (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this Scheme, the number of Shares and the Subscription Price in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of the Options under this Scheme as it deems necessary; and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the Scheme. In particular, the eligibility of each of the Eligible Participants (i.e. the Employee Participants) shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally, the Board will consider, amongst others, the Employee Participants' general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions with reference to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.
- 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 in relation to the administration or interpretation of the Scheme, and the Company shall indemnify on demand and hold harmless each employee or officer of the Company or any Director to whom any duty or power relating to the administration or interpretation of the Scheme may be allocated or delegated against any costs and expenses (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme, unless arising out of such person's own negligence, fraud or bad faith.

### **4. GRANT OF OPTIONS**

- 4.1 Subject to the terms of the Scheme (and in particular paragraphs 4.4, 4.5, 4.6 and 8), the Board shall be entitled (but not bound) at any time within the period of 10 years after the Adoption Date to make an Offer to any Eligible Participant as the Board may in 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 (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof) as the Board may determine at the Subscription Price. The Board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its Subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme. The Board (or, as the case may be, the remuneration committee of the Company or such other person authorised by the Board for such purpose) will conduct assessment at the end of a performance period by comparing the relevant performance with the pre-agreed targets to determine whether and the extents to which the performance targets have been met.
- 4.2 Each Offer shall be in writing and shall:
- 4.2.1 state the name and address of the Eligible Participant;

- 4.2.2 state the date of issue of the Offer;
  - 4.2.3 specify a date, being a date not later than one month after the date on which the Offer was issued, or (the date on which the conditions (if any) for the Offer are satisfied), by which the Eligible Participant must accept the Offer or be deemed to have declined it;
  - 4.2.4 state the method for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price and, if applicable, its payment mechanism;
  - 4.2.5 state that the Option Price is not refundable (except in the case of paragraph 4.9) and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price;
  - 4.2.6 specify the maximum number of Shares to which the Offer relates;
  - 4.2.7 specify the Subscription Price and, if applicable, its payment mechanism;
  - 4.2.8 specify the Option Period, including a minimum vesting period of 12 months by which unvested Options shall become vested and exercisable, if applicable, the time within which a vested Option must be exercised. Any shorter vesting period in respect of Options granted to Employee Participants must be approved by the Board and/or the remuneration committee of the Company (for Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The specific circumstances giving rise to shorter vesting period are as follows:
    - (A) grants of compensatory Options to Employee Participants who are new joiners of the Group to replace their original share awards forfeited when leaving their previous employers. The vesting period of such Options shall reflect the remainder of the vesting period on the forfeited awards to the extent that the latter may have less than 12 months to run;
    - (B) grants to an Eligible Participant whose employment or contract for service is terminated due to death or disability or occurrence of any out-of-control event;
    - (C) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
    - (D) grants of Options in batches during a year for administrative and compliance reasons, such as where Options that should have been granted earlier but had to wait for a subsequent batch to reflect the time from which the Options would have been granted;
    - (E) grants of Options with a mixed or accelerated vesting schedule such as where Options may vest evenly over a period of 12 months; and
    - (F) The remuneration committee is of the view that a shorter vesting period is appropriate and serves the purpose of the Scheme.
  - 4.2.9 if applicable, specify any conditions attached to the Offer or Option, including any conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets as the Board and/or a committee of the Board may determine from time to time with reference to, among others, the individual performance indicators relevant to the relevant Eligible Participant's roles and responsibilities, and business, financials, operations and creation of capital value for the Group's business (such as increase in revenue and net profit);
  - 4.2.10 require 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 the Scheme; and
  - 4.2.11 subject to the above, be made in such form as the Board may from time to time prescribe.
- 4.3 No Offer shall be made to, and no Option shall be capable of acceptance by, any Eligible Participant after inside information has come to the knowledge of the Company until (and including) the trading day after it has announced the information. In particular, during the period

commencing one month immediately preceding the earlier of: (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements, no Option may be granted. Such period will cover any period of delay in the publication of a results announcement. Unless a method has been specified according to paragraph 4.2.4, an Offer shall be deemed to have been granted and the Option to which the Offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter not later than one month after the date on which the Offer was issued, comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with electronic remittance or cash payment to the Company of HKD1.00 as consideration for the grant of Option. Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered provided that it is 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 letter duly completed by the Grantee. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse.

- 4.4 The provisions of paragraphs 4.5 to 4.8 and 5.1 shall be subject to any waiver or ruling granted by the Stock Exchange, and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules which these paragraphs have been drafted to reflect as at the Adoption Date. For the purpose of calculating the limit in paragraphs 4.5 and 4.7, options and awards that have already lapsed in accordance with the terms of the Scheme and other share schemes shall not be counted.
- 4.5 Subject to paragraph 4.6, no Option shall be granted to any Eligible Participant ("**Relevant Eligible Participant**") if, at the time of grant, the number of Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of the Scheme and other share schemes) in the 12-month period would exceed 1% of the total number of Shares in issue at such time, unless:
- 4.5.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her Close Associates (or Associates if the Relevant Eligible Participant is a Connected Person of the Company) abstained from voting;
- 4.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- 4.5.3 the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved.

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 exercise price under Rule 17.03E of the Listing Rules.

- 4.6 Where an Option is to be granted to any director, the chief executive or any Substantial Shareholder of the Company or any of their respective Associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee of the Option (to the extent applicable).
- 4.7 Where an Option is to be granted to a Substantial Shareholder or an independent non-executive Director (to the extent applicable) of the Company, or any of their respective Associates, and the grant will result in the number of the Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of the Scheme and any other share scheme(s)) to such person in the 12-month period up to and including the date of grant, in aggregate,

exceeding 0.1% of the total number of Shares in issue on the Date of Grant, such grant shall not be valid unless:

- 4.7.1 a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Option) 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);
  - 4.7.2 the number and terms (including the Subscription Price) of such Option are fixed before the general meeting of the Company at which the same are approved; and
  - 4.7.3 the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the grantee, his/her Associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting of the Shareholders. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.
- 4.8 Where any change is to be made to the terms of any Option granted to a Substantial Shareholder or an independent non-executive Director (or any of their respective Associates) and:
- 4.8.1 such initial grant has been approved in accordance with paragraph 4.7; or
  - 4.8.2 (where the grant was not subject to paragraph 4.7) as a result of such proposed change the grant would come to be subject to paragraph 4.7,
- such change shall not be valid unless:
- 4.8.3 a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Option) 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
  - 4.8.4 the change has been approved by the Shareholders in general meeting (taken on a poll), at which all Connected Persons abstained from voting in favour of the relevant resolution granting the approval.
- 4.9 In the cases referred to in paragraphs 4.5 to 4.8, where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Option Price paid by a prospective Grantee relating to such Option shall be refunded (without interest) by the Company.

## 5. **SUBSCRIPTION PRICE**

- 5.1 Subject to any adjustments made pursuant to the terms of the Scheme (including paragraph 9 below), the Subscription Price in respect of any Option shall be at a price determined by the Board at its absolute discretion and notified to the relevant Eligible Participant and shall be at least the highest of:
  - 5.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day; and
  - 5.1.2 the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant.
- 5.2 Where an Option is to be granted under paragraphs 4.5 or 4.7 or where a change is to be made under paragraph 4.8, for the purposes of paragraphs 5.1.1 and 5.1.2 the date of the Board meeting at which the grant or the change was proposed shall be taken to be the Date of Grant for such Option, and the provisions of paragraph 5.1 shall apply *mutatis mutandis*.

## 6. EXERCISE OF OPTION

- 6.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this Scheme. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company.
- 6.2 Subject to the terms of grant of any Option and the provisions of paragraph 6.3, an Option may be exercised in whole or in part by the Grantee (or his personal representatives) within the Option Period giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Any partial exercise of the Option shall be in respect of such number of Shares as from time to time constitute a board lot or integral multiple thereof for the purpose of trading the Shares on the Stock Exchange. Such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Unless otherwise specified in the Offer, the aggregate Subscription Price may be paid in cash, by cheque or any other means deemed acceptable by the Board. Within 5 business days after receipt of the notice and (where appropriate) receipt of the independent financial adviser's or the Auditors' certificate under paragraph 9, the Company shall allot and issue the relevant Shares to the Grantee (or his personal representatives) credited as fully paid and issue to the Grantee (or his personal representatives) a share certificate in respect of the Shares so allotted.
- 6.3 Subject to the terms of grant of any Option and the provisions of paragraph 9, an Option may be exercised by the Grantee (or his personal representatives) at any time during the Option Period provided that:
- 6.3.1 Subject to paragraphs 6.3.2 and 7.1.5, where the Grantee of an outstanding Option ceases to be an Eligible Participant for any reason, the Option shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period (not exceeding 30 days) as the Board may determine. The date of such cessation shall be (i) the last actual working day of the Eligible Participant at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) the date on which the relationship constituting him or her an Eligible Participant ceases, whichever the earlier;
- 6.3.2 where the Grantee of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the Entitlement of such Grantee or, if appropriate, an election made pursuant to paragraph 6.3.3, 6.3.4 or 6.3.5 by his personal representatives within 12 months of the date of death or such longer period as the Board may determine;
- 6.3.3 if a general offer by way of a take-over 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 becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may by notice in writing to the Company within 14 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 day period shall lapse in such situation;
- 6.3.4 if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company within 14 days after the date of such approval exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 day period shall lapse in such situation;



- 6.3.5 in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his or her personal representatives) shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription 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 three business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.
- 6.4 The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's constitutional documents for the time being in force and the Companies Act of the Cayman Islands as amended from time to time and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. The Options themselves do not carry voting rights or any rights at a general meeting of the Company, and do not carry any rights to dividends or transfer, or any other rights, including those arising on a liquidation of the Company. Prior to the Grantee being registered as a Shareholder on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions, nor shall the Grantee have any rights to transfer nor be entitled to any other rights of the Shareholders, including those arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

## 7. LAPSE OF OPTION

- 7.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:
- 7.1.1 the expiry of the Option Period or any period within which an Option may be exercised as stipulated in the Offer;
  - 7.1.2 the expiry of any of the periods referred to in paragraphs 6.3.1, 6.3.2 or 6.3.3;
  - 7.1.3 subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 6.3.4;
  - 7.1.4 subject to paragraph 6.3.5, the date of the commencement of the winding-up of the Company;
  - 7.1.5 the date on which the Grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his/her employment or other contract or arrangement constituting him an Eligible Participant, or the date on which he or she begins to appear to be unable to pay or has no reasonable prospect of being able to pay his or her debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he or she has been convicted of any criminal offence involving his or her integrity or honesty, and any Option (to the extent not already exercised) shall lapse and not be exercisable on the date of occurrence of such events. A resolution of the Board to the effect that the employment or other relevant contract or arrangement of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 7.1.5 shall be final and conclusive;
  - 7.1.6 if an Option was granted subject to certain conditions, restrictions or limitation, the date on which such conditions, restrictions or limitation is not satisfied or capable of being satisfied; or
  - 7.1.7 the date on which the Grantee commits a breach of paragraph 6.1.

## 8. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 8.1 Subject to paragraphs 8.3 and 8.4, at the time of adoption by the Company of the Scheme, the number of Shares which may be issued in respect of all options to be granted under the Scheme of the Company must not in aggregate exceed 153,190,000 shares, representing 5% of the total number of Shares in issue as at the date of Shareholders' approval of the Scheme (the "**Scheme Mandate Limit**").
- 8.2 For the purposes of calculating the Scheme Mandate Limit under paragraph 8.1, Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the Scheme shall not be counted.
- 8.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years or by independent Shareholders' approval in general meeting for refreshment of Scheme Mandate Limit within a three year period, provided that:
- 8.3.1 the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme under the Scheme Mandate Limit as renewed shall not exceed 5% of the total number of Shares in issue as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit; and
- 8.3.2 options previously granted under the Scheme (including options exercised, outstanding, cancelled, or lapsed in accordance with the rules of the Scheme) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- 8.3.3 a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.
- 8.4 Further to the requirements set out under above, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:
- 8.4.1 any Controlling Shareholder and their Associates (or if there are no Controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective Associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- 8.4.2 the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- 8.4.3 the requirements under paragraphs 8.4.1 and 8.4.2 above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 8.5 Notwithstanding paragraphs 4.5 and 8.1 to 8.4, the Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (or the refreshed Scheme Mandate Limit, as the case may be) provided that the Options in excess of the Scheme Mandate Limit or the refreshed Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to its Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each such Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options 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. 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 exercise price under Rule 17.03E of the Listing Rules.

- 8.6 If the Company conducts any Share consolidation or subdivision after the Scheme Mandate Limit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the Scheme and all other share schemes of the Company under the utilised Scheme Mandate Limit 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.

## 9. REORGANISATION OF CAPITAL STRUCTURE

- 9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, the Company shall make corresponding adjustments (if any) to:

9.1.1 the number or nominal amount of Shares subject to any Options so far as such Option remains unexercised; and/or

9.1.2 the Subscription Price,

provided that:

9.1.3 no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;

9.1.4 any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;

9.1.5 no such adjustments shall be made which would result in the Subscription Price for a Share being less than its nominal value, provided that in such circumstances the Subscription Price shall be reduced to the nominal value;

9.1.6 any such adjustments must be fair and reasonable having regard to the Supplementary Guidance and satisfy the requirements of the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange including the Supplementary Guidance;

9.1.7 any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the Auditors in writing to the Directors as satisfying the requirements of paragraph 9.1.4 above, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Board under paragraph 9.1 is fair and reasonable; and

9.1.8 any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately before such event of alteration in the capital structure of the Company.

- 9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the independent financial adviser or the Auditors (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard in accordance with paragraph 9.1.

- 9.3 For the purposes of this paragraph, the independent financial adviser or the Auditors shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

## 10. **SHARE CAPITAL**

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 to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

## 11. **DISPUTES**

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

## 12. **ALTERATION OF THE SCHEME**

12.1 The Scheme may be altered in any respect by resolution of the Board, except that the specific provisions of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Eligible Participants except with the prior approval of the Shareholders in general meeting (with participants and their Associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.

12.2 Any change to the authority of the Board or Scheme administrators in relation to any alteration to the terms of the Scheme shall not be valid unless approved by Shareholders in general meeting.

12.3 Any alterations to the provisions of the Scheme which are of a material nature or any alterations to the provisions relating to 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 except where the alterations take effect automatically under the existing provisions of the Scheme. The Board's determination as to whether any proposed alteration to the provisions of the Scheme is material shall be conclusive.

12.4 Any change to the terms of options granted to a participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing provisions of the Scheme.

12.5 The amended terms of the Scheme or the Options must comply with Chapter 17 of the Listing Rules.

## 13. **CANCELLATION OF OPTIONS GRANTED**

13.1 The Company may cancel an Option granted but not exercised with the consent of the Grantee of such Option.

13.2 No Options may be granted to an Eligible Participant in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit of the Scheme (or similar limit under any other share option schemes adopted by the Company) from time to time. For the purpose of this paragraph 13.2, the Options cancelled will be regarded as utilised in calculating the Scheme Mandate Limit.

13.3 The Board shall be entitled to cancel any outstanding Options of a Grantee if the Grantee ceases to be a Director or an employee of the Company or any of its subsidiaries, commits a serious breach of the terms of his/her service contract or employment or commits serious misconduct (the "**Triggering Events**"). The Board has sole and absolute discretion in the determination of whether any of the Triggering Events has occurred, and the outstanding Options shall be cancelled on the date the Board may specify.

14. **TERMINATION**

14.1 The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Scheme and in such event no further Options will be offered but in all other respects the provisions of the Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

15. **GENERAL**

15.1 Notwithstanding any provision of any other paragraph of the Scheme:

15.1.1 the Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as appropriate) and any Eligible Participant; where an Eligible Participant is an employee of the Company or any Subsidiary, the rights and obligations under the terms of his/her office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the 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; and

15.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

15.2 The Company shall bear the costs of establishing and administering the Scheme.

15.3 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders. Further, the Company shall provide a copy of the rules of the Scheme to any Grantee who requests such a copy.

15.4 Any notice or other communication between the Company and a Grantee shall be addressed to the recipient and sent by personal delivery, by prepaid post or by fax to, in the case of the Company, its principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or facsimile number (86) 510-88100267 or as otherwise notified to the Grantee from time to time and, in the case of the Grantee, his or her residential address as notified to the Company from time to time.

15.5 Any notice or other communication between the Company and a Grantee shall be deemed to have been received:

15.5.1 in the case of delivery by hand, when delivered;

15.5.2 in the case of prepaid post, on the second day following the day of posting; or

15.5.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received.

15.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.

15.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction other than Hong Kong (or the country of incorporation of the Company if the Company is incorporated outside of Hong Kong) in order to permit the grant or exercise of an Option. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in the 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 or her participation in the Scheme. A Grantee shall, on demand, indemnify the Company in full 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 above or to pay any tax or other liability referred to above and against all incidental costs and expenses which may be incurred by the Company in connection therewith.

15.8 The Company shall not be responsible for the lapse or cancellation of any Options granted to any Eligible Participant by reason of the operation of the rules of the Scheme.

- 15.9 Subject to paragraph 12.1, the Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme and the Listing Rules. The Board shall also have the power to delegate its powers to grant Options to Eligible Participants and to determine the Subscription Price, to any of the Directors or a duly authorised committee of the Board from time to time, subject to the requirements and restrictions set out in the Scheme and the Listing Rules.
- 15.10 The Scheme and all Options granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Scheme and all Options granted under it and accordingly any legal action or proceedings arising out of or in connection with the Scheme and all Options granted under it may be brought in such courts.