

**RULES OF  
NUMANS HEALTH FOOD HOLDINGS COMPANY  
LIMITED  
SHARE OPTION SCHEME**

**Adopted conditionally pursuant to  
a Resolution of  
the Sole shareholder passed on 5 December  
2024**

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# RULES OF NUMANS HEALTH FOOD HOLDINGS COMPANY LIMITED SHARE OPTION SCHEME

## Purpose

The purpose of this Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. This Scheme may, at the discretion of the Board, be used in conjunction with any cash based compensation, incentive compensation or bonus plan.

LR17.03(1)

## 1 Interpretation

### 1.1 Defined Terms

In these Rules:

**“Associate(s)”** has the meaning ascribed to this term under the Listing Rules;

**“associated company(ies)”** means, in relation to any company, an entity in which the company holds 20 per cent. or more of the issued shares or equity interest (whether directly or indirectly) or is otherwise entitled to control 20 per cent. or more of the entity's voting power; **“Auditors”** means the auditors for the time being of the Company;

**“Board”** means the board of directors of the Company (including any committee or delegate of the Board appointed by the Board to perform any of its functions hereunder);

**“Board Approval Date”** means, in relation to any proposed grant of Options under Rule 7.4.2 or Rule 8.1.2, the date referred to in Rule 7.4.3 or Rule 8.1.3, as the case may be;

**“Business Day”** means a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;

**“Company”** means Numans Health Food Holdings Company Limited, a company incorporated in the Cayman Islands on 21 January 2019 as an exempted company with limited liability;

**“Connected Person”** has the meaning ascribed to this term under the Listing Rules;

**“Core Connected Person”** has the meaning ascribed to this term under the Listing Rules;

**“Contract”** means, in relation to an employee or Director, his contract of employment or service contract with his Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents;

**“Director”** means a director of any member of the Group;

**“Eligible Person”** means (i) a director and an employee of any member of the Group; (ii) a director or an employee of any of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) Service Provider(s).

LR17.03(2)  
LR17.03A(1)

**“Employer”** means, in relation to an employee, the member of the Group which employs or has appointed him under his Contract;

**“Group”** means, the Company together with its subsidiaries (as that term is

defined in sections 2, 13 and 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time;

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

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Hong Kong Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**independent non-executive Director**” means a person who is an independent non-executive director of the Company within the meaning of the Listing Rules;

“**Listing Committee**” means the Listing Committee of the Hong Kong Stock Exchange;

“**Listing Date**” means the date on which dealings in the Shares first commence on the Hong Kong 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 relation to an Option, the date on which the Board offers an Eligible Person such Option pursuant to Rule 3.1, which must be a Business Day;

“**Option**” means a right granted under this Scheme to subscribe for Shares in accordance with this Scheme;

“**Option Certificate**” means an Option Certificate issued by the Company in accordance with Rule 3.2 in such form as the Board may determine, and setting out the Option Price, Option Period and any other conditions of exercise as contemplated by these Rules;

“**Option-holder(s)**” means a person holding an Option (and, where relevant, includes his personal representatives);

“**Option Period**” means, in relation to an Option, the period which is notified by the Board at the Offer Date when making an offer to an Eligible Person under Rule 3.1 and which is specified on the Option Certificate, such period not to exceed the period of 10 years from the Offer Date of such Option or such longer period as the Hong Kong Stock Exchange may allow pursuant to a waiver granted at the Hong Kong Stock Exchange’s discretion;

LR17.03(5)

“**Option Price**” means in respect of any Option the price determined by the Board and notified to an Option-holder which (subject to Rule 7.4.3 and Rule 8.1.3) shall not be less than the higher of:

LR17.03(9)

- (i) the closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the Offer Date;
- (ii) the average closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the Offer Date; and
- (iii) the nominal value of the Shares.

The Option Price may be adjusted in accordance with Rule 9;

**“Other Scheme”** means any other share option scheme involving the grant by the Company or any of its subsidiaries of options over new securities issued by the Company or any of its subsidiaries established by the Company or any of its subsidiaries in accordance with the Listing Rules or any other share option scheme which is determined by the Hong Kong Stock Exchange to be analogous to a share option scheme as described in the Listing Rules;

**“PRC”** means the People's Republic of China, but for the purpose of these Rules, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

**“Rules”** means the rules of this Scheme as amended from time to time;

**“Scheme”** means the scheme known as “Numans Health Food Holdings Company Limited Share Option Scheme” constituted and governed by these Rules; **“Shares”** means fully paid ordinary shares of HK\$0.001 each in the capital of the Company;

**“Service Provider(s)”** means any person (including an entity) that provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group;

**“subsidiary(ies)”** has the meaning ascribed to this term under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time; and

**“Substantial Shareholder”** has the meaning ascribed to this term under the Listing Rules.

## 1.2 **References to Enactments**

Any reference in these Rules to any enactment or regulatory requirement means a reference to such enactment as amended from time to time.

## 2 **Adoption and Duration of this Scheme**

### 2.1 **Adoption**

2.1.1 The adoption of this Scheme is conditional on:

- (i) the Listing Committee granting (or agreeing to grant) approval (subject to such conditions as the Hong Kong Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options which may be granted under this Scheme; and
- (ii) the commencement of the dealings in the Shares on the Hong Kong Stock Exchange.

2.1.2 If the conditions referred to in Rule 2.1.1 are not satisfied on or before the date following six months after the date this Scheme was conditionally adopted:

- (i) this Scheme shall forthwith determine;
- (ii) any Option granted or agreed to be granted pursuant to these Rules and any offer of such a grant shall be of no effect; and
- (iii) 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.

## 2.2 Duration

Subject to Rule 11, this Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options will be granted but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of this Scheme.

LR17.03(11)

## 3 Offer and Acceptance of Grant of Options

### 3.1 Offer of Grant

Subject to the limits specified in Rule 7 not being exceeded and the restrictions specified in Rule 8 and any applicable regulatory and legal requirements including, if appropriate, any codes of conduct, the Board may, at its absolute discretion, offer the grant to any Eligible Person an Option to subscribe for such number of Shares at the Option Price as the Board may determine.

In assessing the eligibility of any participant, the Board will consider all relevant factors as appropriate, including, among others, (i) work performance; (ii) years of service; and (iii) potential or actual contribution to the business of the Group.

LR17.03(2)

For the avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of these classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of Options under this Scheme.

### 3.2 Acceptance of Offers of Options

3.2.1 Offers of Options shall be open for acceptance in writing or by telex or facsimile transmission or (if the Board agrees) by electronic communication received by the Chairman of the Company (or a person designated by him with the approval of the Board) for such period (not exceeding 30 days inclusive of, and from, the Offer Date) as the Board may determine and notify to the Eligible Persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of this Scheme as specified in Rule 2.2. Offers of Options not accepted within this period shall lapse.

3.2.2 The Company shall issue Option Certificates to any Eligible Person who has accepted an offer in accordance with Rule 3.2.1 under the common seal of the Company (or the securities seal of the Company) within seven days after the end of the period for acceptance of the offer referred to in Rule 3.2.1.

### 3.3 Terms of Options

3.3.1 An Option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the Option, including any vesting schedule and/or conditions, any minimum period for which any Option must be held before it can be exercised and/or any performance target which need to be achieved by an Option-holder before the Option can be exercised. Any terms and conditions determined by the Board must not be contrary to the purpose of this Scheme and must be consistent with such

LR17.03(6)

guidelines (if any) as may be approved from time to time by the shareholders of the Company.

- 3.3.2 The Directors shall have absolute discretion to determine the performance targets that must be achieved by a grantee before any options granted under this Scheme can be exercised. Such performance targets shall be based on, amongst other things, length of continued employment with the Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance, and appraisal on contribution to the Group. The independent non-executive Directors shall not be subject to such performance targets unless the Board is satisfied that the existence of the same will not lead to any bias in their decision-making or compromise their objectivity and independence. LR17.03(7)

### 3.4 **Payment on Grant**

The amount payable for the acceptance of the grant of an Option shall be the sum of HK\$1.00 which shall be paid upon such acceptance. This consideration shall not be refundable to the Option-holder and shall not be deemed to be a part payment of the Option Price. LR17.03(8)

### 3.5 **Non-Transferability of Options**

3.5.1 An Option is personal to the Option-holder as the grantee of the Option and shall not be transferable or assignable and no Option-holder shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest (legal or beneficial) in favor of or enter into any agreement with any other person over or in relation to any Option, except for the transmission of an Option on the death of the Option-holder to his personal representative(s) on the terms of this Scheme, or, subject to the Hong Kong Stock Exchange granting a waiver, on a case-by-case basis, transfer to vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (for example, for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with the requirements under Chapter 17 of the Listing Rules. LR17.03(17)

3.5.2 Except for the transmission of an Option on the death of an Option-holder to his personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Option-holder to any other person or entity. If an Option-holder transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

## 4 **Vesting and Exercise of Options**

### 4.1 **Vesting of Options**

Any Option shall be vested on an Option-holder immediately upon his acceptance of the offer of Options in accordance with Rule 3.2 provided that if any vesting schedule and/or conditions are specified in the offer of the Option, such Option shall only be vested on an Option-holder according to such vesting schedule and/or upon the fulfillment of the vesting conditions (as the case may be).

## 4.2 **Exercise of Options**

Subject to the restriction set out in Rule 4.4, any Option:

- 4.2.1 which has vested;
- 4.2.2 which conditions have been satisfied or waived by the Board in its sole discretion; and
- 4.2.3 which has not lapsed,

may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next Business Day after the offer of Options has been accepted by an Option-holder in accordance with Rule 3.2.

## 4.3 **Manner of Exercise**

An Option-holder may exercise any or all of his Options by notice of exercise in writing in such form as the Board may from time to time require delivered to the Chairman of the Company (or a person designated by him with the approval of the Board). The notice of exercise of the Option must be completed, signed by the Option-holder or by his appointed agent, and must be accompanied by the:

- 4.3.1 relevant Option Certificate; and
- 4.3.2 correct payment in full in cleared funds of the total Option Price for the number of Shares being acquired.

## 4.4 **Restriction on Exercise**

No Option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

## 5 **Lapse and Cancellation of Options**

### 5.1 **Lapse on Expiry of Option Period**

An Option will lapse on the earlier of:

LR17.03(12)

- 5.1.1 the expiry of the Option Period; or
- 5.1.2 the date when any circumstance referred to in Rule 3.5.2 occurs; or
- 5.1.3 the expiry of the time provided for in the applicable Rule where any of the circumstances provided in Rules 5.2 to 5.6 below apply.

### 5.2 **Lapse on Cessation of Employment**

#### 5.2.1 **Resignation**

If an Option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of Options shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Person under Rule 3.2.1, and all Options (to the extent vested but not already exercised) will continue to be exercisable for such period as the Board may determine at its absolute discretion and notify to such Eligible Person on the date of cessation of employment of such Eligible Person.

#### 5.2.2 **Termination by Employer**

If an Option-holder ceases to be an Eligible Person by reason of his:

- (i) Employer terminating his Contract in accordance with its terms or any right conferred on his Employer by law; or



- (ii) Contract, being a Contract for a fixed term, expiring and not being renewed; or
- (iii) Employer terminating his Contract for serious or gross misconduct,

then any outstanding offer of an Option and all Options, vested or unvested, will lapse on the date the Option-holder ceases to be an Eligible Person.

### 5.2.3 **Death, Disability, Retirement and Transfer**

If an Option-holder ceases to be an Eligible Person by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the Option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the Option-holder unfit to continue performing the duties under his Contract for the following 12 months provided such illness or injury is not self-inflicted; or
- (iii) his retirement in accordance with the terms of an Option-holder's Contract; or
- (iv) his early retirement by agreement with the Option-holder's Employer; or
- (v) his Employer terminating his Contract by reason of redundancy; or
- (vi) his Employer ceasing to be a member of the Group or an associated company or under the control of the Company; or
- (vii) a transfer of the business, or the part of the business, in which the Option-holder works to a person who is neither under the control of the Company nor a member of the Group or associated companies or the Company; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of this Scheme to treat an Option-holder whose Options would otherwise lapse so that such Options do not lapse but continue to subsist in accordance with (and subject to) the provisions of this Scheme,

then, subject to Rule 5.2.4, any outstanding offer of an Option which has not been accepted under Rule 3.2 and any unvested Option will lapse and the Option-holder or his personal representatives (if appropriate) may (subject to Rule 5.1) exercise all his Options (to the extent vested but not already exercised) within a period of one month of the date of cessation of employment. Any Option not exercised prior to the expiry of this period shall lapse.

### 5.2.4 **Lapse After Leaving Employment**

If the Board determines that an Option-holder who ceases to be an Eligible Person in circumstances such that his Options continue to subsist in accordance with Rule 5.2.3:

- (i) is guilty of any misconduct which would have justified the termination of his Contract for cause but which does not become

known to the Company until after he has ceased employment with any member of the Group or associated companies of the Company;

- (ii) is in breach of any material term of Contract (or other contract or agreement related to his Contract), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of the Group or associated companies of the Company;
- (iii) has disclosed trade secrets or confidential information of any member of the Group or associated companies of the Company; or
- (iv) has entered into competition with a member of the Group or associated companies of the Company or breached any non-solicitation provisions in his Contract,

then it may, in its absolute discretion, determine that any unexercised Options, vested or not vested, held by the Option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the Option-holder has been notified of the determination).

### 5.3 Lapse on Cessation to be a Director

In the event that any Director ceases to be a Director of any member of the Group or associated companies of the Company, the Company shall, as soon as practicable thereafter, give notice to the relevant Option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an Option which has not been accepted under Rule 3.2 and any unvested Option will lapse on the date the Option-holder ceases to be an Eligible Person. The Option-holder (or his personal representative) may (subject to Rule 5.1) exercise all his Options (to the extent vested but not already exercised) within a period of one month of the date of the notification by the Board. Any Option not exercised prior to the expiry of this period shall lapse.

### 5.4 Lapse on a General Offer

5.4.1 If as a result of any general offer made to the holders of Shares, the Board becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror and any person associated with or acting in concert with the offeror (a “**Change of Control**”), the Board will notify every Option-holder of this within 14 days of becoming so aware or as soon as practicable after any legal or regulatory restriction on such disclosure no longer applies.

5.4.2 Subject to Rule 4.4 and Rule 5.1, each Option-holder will be entitled at any time during the Change of Control Period as defined in Rule 5.4.3 to exercise his Options (to the extent vested but not already exercised). All Options, vested or unvested, not exercised before the end of the Change of Control Period will lapse at the end of the Change of Control Period.

5.4.3 “**Change of Control Period**” means the period of one month starting on the date of the Board's notification under Rule 5.4.1.

### 5.5 Lapse on Company Reconstructions

In the event of a compromise or arrangement, the Company shall give notice to all Option-holders on the same date as it gives notice of the meeting to its shareholders or creditors to consider such a compromise or arrangement and each Option-holder (or his personal representative) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his Options (to the extent vested but not already exercised), and subject to the Company receiving the exercise notice and the Option Price, 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, allot, issue and register under the name of the Option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or unvested, not so exercised will lapse.

#### **5.6 Lapse on Winding-Up**

In the event a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it dispatches such notice to its shareholders give notice thereof to all Option-holders and (subject to Rule 4.4 and Rule 5.1) each Option-holder (or his personal representative) shall be entitled to exercise all or any of his Options (to the extent vested but not already exercised) at any time no later than seven days prior to the proposed general meeting of the Company, and subject to the Company receiving the exercise notice and the Option Price, 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, allot, issue and register under the name of the Option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or unvested, not so exercised will lapse.

#### **5.7 Cancellation of Options**

Unless the Option-holder agrees, the Board may only cancel an Option (which has been granted but not yet exercised) if, at the election of the Board, either:

LR17.03(14)

- 5.7.1 the Company pays to the Option-holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board at its absolute discretion, after consultation with the Auditors or an independent financial adviser appointed by the Board; or
- 5.7.2 the Board offers to grant to the Option-holder replacement Options (or options under any Other Scheme) or makes such arrangements as the Option-holder may agree to compensate him for the loss of the Option; or
- 5.7.3 the Board makes such arrangements as the Option-holder may agree to compensate him for the cancellation of the Option.

Where the Company cancels Options granted to a participant and makes a new grant to the same participant, such new grant may only be made under this Scheme with available Scheme Mandate Limit and Service Provider Sublimit (as defined in Rule 7.1 below) approved by the Shareholders. The Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

### **6 Shares**

#### **6.1 Issue of Shares**

Shares to be issued following the exercise of an Option will be issued as soon

as reasonably practicable (and, unless otherwise agreed between the Company and the Option-holder, in any event within 30 days after the date on which correct payment in cleared funds of the Option Price for the number of Shares to be issued is received by the Company). However, if the Board considers that any restriction under any law or regulation or the rules of any stock exchange prevents the issue of Shares within this timeframe, the Shares will be issued or transferred within 30 days of the lifting of the restrictions.

## 6.2 Rights

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

LR17.03(10)  
LR17.03(15)

## 6.3 Consents

All allotments and issues of Shares or grant or exercise of Options will be subject to any necessary consent under any relevant enactments or regulations for the time being in force under any relevant local legislation or regulations. The Option-holder will be responsible for complying with any requirements to be fulfilled in order to obtain (or avoid the necessity for) any such consent.

## 6.4 Articles of Association

Any Shares acquired on the exercise of Options will be subject to the Articles of Association of the Company as amended from time to time.

## 7 Maximum Number of Shares Available for Subscription

### 7.1 Scheme Limit

Subject to Rule 7.2 and Rule 7.3, the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme must not in aggregate exceed 10% of the total number of Shares in issue as of the Listing Date, being 100,000,000, or such higher limit as the Hong Kong Stock Exchange may allow pursuant to a waiver granted at the Hong Kong Stock Exchange's discretion (the "**Scheme Mandate Limit**"). Subject to above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 10,000,000 Shares, representing 1% of the total number of Shares in issue as of the Listing Date (the "**Service Provider Sublimit**"). Options lapsed in accordance with the terms of this Scheme and any Other Scheme will not be counted for the purpose of calculating the limit.

LR17.03(3)  
LR17.03B (1)

### 7.2 Refreshing the Scheme Limit

Subject to Rule 7.5 if applicable, the Board may with the approval of the shareholders of the Company in general meeting "refresh" the Scheme Mandate Limit and the Service Provider Sublimit once every three years provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under this Scheme and any options to be granted under any Other Scheme as "refreshed" shall not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. Refreshments of the Scheme Mandate Limit (and the Service Provider Sublimit) to be made within a three-year period must be approved by the shareholders of the

LR17.03C (1)  
LR17.03C (2)

Company (other than the controlling shareholders and their associates, or if there is no controlling shareholder, other than the Directors (excluding independent non-executive Directors), and the chief executive of the Company and their respective associates). The Company must send a circular to its shareholders containing the information required under the Listing Rules for the purpose of seeking the approval of the shareholders of the Company.

### 7.3 Exceeding the Scheme Limit

The Board may grant Options to any Eligible Person or Eligible Persons specifically identified by them which would cause the limit under Rule 7.1 (including, for the avoidance of doubt, any such limit as “refreshed” under Rule 7.2) to be exceeded, but only with the approval of the shareholders of the Company in general meeting, and subject always to Rule 7.5.

LR17.03C(3)

### 7.4 Individual Limit

7.4.1 Subject to Rule 7.4.2 (and subject always to Rule 7.5), the Board shall not grant any Options (the “**Relevant Options**”) to any Eligible Person which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the Offer Date of the Relevant Options, exceeds 1% of the Shares in issue at such date or such higher limit as the Hong Kong Stock Exchange may allow pursuant to a waiver granted at the Hong Kong Stock Exchange’s discretion.

LR17.03(4)

LR17.03D (1)

7.4.2 Notwithstanding Rule 7.4.1, the Board may grant Options to any Eligible Person or Eligible Persons causing the limit under Rule 7.4.1 in relation to such Eligible Person to be exceeded, but only with the approval of the shareholders of the Company in general meeting (with such Eligible Person and his Associates abstaining from voting), and subject always to Rule 7.5. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Person in question, the number and terms of the options to be granted (and options previously granted to such Eligible Person in the 12-month period) and such other information required under the Listing Rules. The number and terms (including the Option Price as mentioned in Rule 7.4.3 below) of the Options to be granted to such Eligible Person must be fixed before the approval of the shareholders of the Company and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price under paragraph 17.03E of the Listing Rules.

LR17.03D (2)

LR17.03E

7.4.3 Where any grant is made under Rule 7.4.2, the Option Price shall be the price determined by the Board and notified to an Option-holder and shall not be less than the higher of:

- (i) the closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date on which the offer to grant such Options is approved by the Board under Rule 7.4.2 (for the purpose of this Rule alone, the “**Board Approval Date**”) (or where that is not a trading day, the last trading day prior to the Board Approval Date);

- (ii) the average closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Board Approval Date; and
- (iii) the nominal value of the Shares.

The Option Price may be adjusted in accordance with Rule 9.1.

## 7.5 **30% Maximum Limit**

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and not yet exercised under this Scheme and any Other Scheme to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

## **8 Restrictions on Grants**

### **8.1 Restriction on Grants to Key Individuals**

8.1.1 Each grant of Options to an Eligible Person who is a Director (including an independent non-executive Director), chief executive or Substantial Shareholder of the Company, or any of their respective Associates, under this Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options). LR17.04

8.1.2 Where any grant of options to a Substantial Shareholder or an independent non-executive Director, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted under this Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of Options by the Board must be approved by the shareholders of the Company in general meeting (the vote on such approval to be taken on a poll). Such grantee, his Associates and all Core Connected Persons of the Company must abstain from voting on the resolution to approve such further grant of Options. The Company shall send to the shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the shareholders.

8.1.3 Where any grant is made under Rule 8.1.2, the Option Price shall be the price determined by the Board and notified to an Option-holder and shall not be less than the higher of:

- (i) the closing price of the Shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date on which the offer to grant such Options is approved by the Board under Rule 8.1.2 (for the purpose of this Rule alone, the "**Board Approval Date**") (or where that is not a trading day, the last trading day prior to the Board Approval Date);
- (ii) the average closing price of the Shares on the Hong Kong Stock

Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Board Approval Date; and

- (iii) the nominal value of the Shares.

The Option Price may be adjusted in accordance with Rule 9.1.

- 8.1.4 The number and terms (including the Option Price as mentioned in Rule 8.1.3 above) of the Options to be granted to each Eligible Person must be fixed before the approval of the shareholders of the Company.

## 8.2 **Restriction on the time of grant of options**

A grant of Options may not be made after inside information has come to the knowledge of the Company until (and including) the trading day after which such inside information has been announced as required under the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

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- 8.2.1 the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and

- 8.2.2 the deadline for the Company to publish an announcement of its results for any year, or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

## 9 **Reorganization of Capital Structure**

### 9.1 **Alterations to share capital**

Subject to Rule 9.2 below, in the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves, further rights issues of Shares, consolidation or subdivision of shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

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- 9.1.1 the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or

- 9.1.2 the price at which the Options are exercisable,

as the Auditors or an independent financial adviser appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable.

### 9.2 **Adjustment of Limits**

The maximum number of Shares referred to in Rule 7.1, Rule 7.2, Rule 7.4 and Rule 8.1.2 will be adjusted, in such manner as the Auditors or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalization of profits or reserves, rights issue, consolidation or subdivision of shares, or reduction of the share capital of the Company provided that no such adjustment shall be made in the event

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of an issue of Shares as consideration in respect of a transaction.

### 9.3 **Conditions Governing Adjustment**

Any adjustment under Rule 9.1 will be made in accordance with the following:

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- 9.3.1 any such adjustment shall be made on the basis that an Option-holder shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment;
- 9.3.2 no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Option-holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and
- 9.3.3 the Auditors or independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Hong Kong Stock Exchange, except where such adjustment is made on a capitalization issue.

### 9.4 **Capacity of Auditors or Independent Financial Advisers**

The capacity of the Auditors or financial advisers in this Rule 9 is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Option-holder in the absence of fraud or manifest error. The costs of the Auditors or financial advisers shall be borne by the Company.

### 9.5 **Notification of Adjustment**

The Company will notify an Option-holder of any adjustments made in accordance with Rule 9.

## 10 **Amendment**

### 10.1 **Amendments to this Scheme**

10.1.1 Subject to the provisions of this Rule 10, the Board may amend any of the provisions of this Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any Option-holder at that date).

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10.1.2 The shareholders of the Company in general meeting must approve in advance by ordinary resolution any proposed amendment which is to the advantage of present or future Option-holders, and which relates to the following:

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- (i) the purpose of this Scheme;
- (ii) the definition of "Eligible Person" in Rule 1;
- (iii) the limitations on the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme as provided for in Rules 7.1, 7.2, 7.3 and 7.5;
- (iv) the maximum entitlement of each Eligible Person under this Scheme as provided in Rule 7.4;
- (v) the definition of "Option Period" in Rule 1;



- (vi) the terms of Rule 3.4 regarding payment on grant;
- (vii) the basis of determination of the Option Price under this Scheme;
- (viii) the voting, dividend, transfer and other rights attaching to the Options and the Shares including those arising on liquidation of the Company;
- (ix) the duration of this Scheme under Rule 2.2;
- (x) the circumstances under which Options will automatically lapse;
- (xi) the adjustments provisions applicable in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company under Rules 9.1, 9.3 and 9.5;
- (xii) the cancellation of Options granted but not exercised under Rule 5.7;
- (xiii) the treatment of Options on termination of this Scheme under Rule 11;
- (xiv) the restriction on the transfer of Options under Rule 3.5; or
- (xv) the terms of this Rule 10.1.2.

10.1.3 Any amendments to the terms and conditions of this Scheme which are of a material nature or any amendments to the advantage of present or future Option-holders in respect of matters contained in paragraph 17.03 of the Listing Rules may only be made with the approval of the shareholders of the Company save where the amendments take effect automatically under the existing terms of this Scheme.

10.1.4 Subject to Rules 10.1.2 and 10.1.3, the Board need not obtain the approval of the shareholders of the Company in general meeting for any minor amendments:

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- (i) to benefit the administration of this Scheme;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation;
- (iii) to take account of any changes to any legislative or regulatory requirements; or
- (iv) to obtain or maintain favorable tax, exchange control or regulatory treatment of any member of the Group or any present or future Option-holder.

10.1.5 The amended terms of this Scheme must still comply with Chapter 17 of the Listing Rules.

## 10.2 Amendments to terms of Options

10.2.1 Any amendments to the terms of any Options granted may only be made with the approval of the shareholders of the Company save where the amendments take effect automatically under the existing terms of this Scheme.

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10.2.2 Any amendments to the terms of options granted to an Option-holder who is a Substantial Shareholder or an independent non-executive Director, or any of their respective Associates, must be approved by the

shareholders of the Company in general meeting. The resolution to approve the amendment must be taken on a poll and any Connected Person of the Company must abstain from voting on the resolution to approve such amendment, except that such a Connected Person may vote against such resolution subject to the requirements of paragraph 17.04 of the Listing Rules.

### 10.3 **Authority of the Board**

Any change to the authority of the Board in relation to any amendment of these Rules may only be made with the approval of the shareholders of the Company in general meeting.

## 11 **Termination**

11.1 This Scheme will expire automatically on the day immediately preceding the 10<sup>th</sup> anniversary of the Listing Date.

11.2 The Board may terminate this Scheme at any time without shareholders' approval by resolving that no further Options shall be granted under this Scheme.

11.3 If the Board decides to terminate this Scheme under Rule 11.2, then no new offers to grant Options under this Scheme will be made and any Options which have been granted but not yet exercised shall either:

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11.3.1 continue subject to these Rules; or

11.3.2 be cancelled in accordance with Rule 5.7.

## 12 **General**

### 12.1 **Notices**

12.1.1 Any notice or other document which has to be given to an Eligible Person or Option-holder under or in connection with this Scheme may be delivered to the Eligible Person or Option-holder or sent by post or facsimile transmission or e-mail to him at his home postal address, home or work e-mail address or facsimile number according to the records of his employing company or such other address as the Company reasonably considers appropriate.

12.1.2 Any notice or other document which has to be given to the Company under or in connection with this Scheme may be delivered or sent by post to it at its registered office (or such other place as the Board may from time to time decide and notify to Option-holders) or by facsimile transmission to the central facsimile number of the Company.

12.1.3 Notices sent by post will be deemed to have been given by the Company on the first day after the date of posting, and by the Option-holder on the date of receipt by the Board.

### 12.2 **Availability of Shares**

The Company will keep available for allotment sufficient unissued Shares for all Options under which Shares may be subscribed.

### 12.3 **Administration**

12.3.1 The responsibility for administration of this Scheme shall rest with the Board. The Board, may, however, appoint an administrator or administrators in relation to this Scheme (or certain aspects thereof) on such terms as the Board may determine.

12.3.2 The decision of the Board on the interpretation of these Rules or as to whether any circumstances exist which may affect the treatment of any Option or any Option-holder under these Rules or in any dispute relating to any Option or matter relating to this Scheme will be final and binding (in the absence of manifest error).

#### **12.4 Terms of Employment**

Nothing in this Scheme will in any way be construed as imposing on any member of the Group a contractual obligation to any Eligible Person to offer participation in this Scheme.

Any person who ceased to be an employee of any member of the Group because of lawful dismissal or termination of employment or who is under notice of such lawful dismissal or termination of employment will in no circumstances be entitled to claim any compensation in respect of the operation of this Scheme (except as expressly provided under this Scheme).

#### **12.5 Replacement Option Certificates**

If any Option Certificate is worn out, defaced or lost, the Board may replace it on such conditions as it thinks fit concerning the surrender, continued validity or any other matter relevant to the original certificate being replaced provided such conditions are reasonable in the circumstances. If an Option is exercised in part, and the balance remains exercisable, the Board shall provide the Option-holder with a balance certificate.

#### **12.6 Withholding**

The Employer may withhold any amount and make any such arrangements, including the sale of any Shares on behalf of an Option-holder as it considers necessary to meet any liability to taxation or social security contributions in respect of any Option granted to the Option-holder pursuant to this Scheme. These arrangements may include the sale of any Shares on behalf of an Option-holder, unless the Option-holder discharges the liability himself.

#### **12.7 General Notices**

The Option-holder shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares generally, provided that the Option-holders are deemed to have received such notices and documents if and when they are posted on the Company's website.

#### **12.8 Taxation**

Each Option-holder shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.

#### **12.9 Costs**

The Company will pay the costs of establishing and administering this Scheme.

### **13 Governing Law**

The law of the Hong Kong Special Administrative Region governs this Scheme and all Options and their construction. The Company, each member of the Group and each Option-holder must submit to the exclusive jurisdiction of the Hong Kong courts in all matters relating to this Scheme and any Option.