

YUNFENG FINANCIAL GROUP LIMITED

雲鋒金融集團有限公司

(Incorporated in Hong Kong with limited liability)

SHARE OPTION SCHEME
adopted on 28 June 2022 and amended on []

YUNFENG FINANCIAL GROUP LIMITED
雲鋒金融集團有限公司
(Incorporated in Hong Kong with limited liability)

SHARE OPTION SCHEME

1. DEFINITIONS

1.01 In this Scheme the following words and expressions have the following meanings.

“Adoption Date”	means 28 June 2022 (the date on which this Scheme is conditionally adopted by resolution of the Company in general meeting);
“Associates”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	means the auditors of the Company for the time being;
“Board”	means the board of directors of the Company or a duly authorised committee thereof for the time being;
“Business Day”	means a day (other than Saturdays and days on which a tropical cyclone warning signal No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business during normal business hours;
“business day”	has the meaning ascribed to it under the Listing Rules;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“clawback event”	has the meaning ascribed to it under Clause 6.09;
“Close Associates”	has the meaning ascribed to it under the Listing Rules;

“Company”	means Yunfeng Financial Group Limited 雲鋒金融集團有限公司, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;	
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);	
“Effective Date”	means [] 2025 (the date on which amendments to this Scheme are approved by resolution of the Company in general meeting);	
“Employee Participant”	means any employee (whether full-time or part-time) or director of the Company or any of the Subsidiaries (including any person who is granted Options under this Scheme as an inducement to enter into employment contracts with any member of the Group), provided that the Board may have absolute discretion to determine whether or not one falls within such category;	17.03A(1)(a)
“exit event”	has the meaning as ascribed to it in Clause 6.08;	
“Grantee”	means any Participant who accepts an Offer in accordance with the terms hereof or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee;	
“Group”	means the Company and the Subsidiaries from time to time;	
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;	
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);	
“Offer”	means an offer of the grant of Option made by the Board in accordance with Clause 4;	
“Offer Date”	means the date on which an Offer is made to a Participant as determined in accordance with Clause 4.03;	
“Offer Letter”	has the meaning ascribed to it under Clause 4.03;	
“Option”	means a right to subscribe for Shares in accordance with the terms of this Scheme;	
“Option Period”	means a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised, and in any event, such period shall expire no later than 10 years from the Offer Date;	17.03(5)
“Participant”	means an Employee Participant, a Related Entity Participant or a Service Provider;	17.03(2)
“Related Entity”	means any holding company, fellow subsidiary or associated company of the Company;	
“Related Entity”	means any employee (whether full-time or part-time) or director of	17.03A(1)(b)

Participant”	the Related Entities;	
“Remuneration Committee”	means the remuneration committee of the Company;	
“Scheme”	means this share option scheme in its present or any amended form in accordance with the provisions hereof;	
“Scheme Mandate Limit”	has the meaning ascribed to it in Clause 8;	
“Service Provider”	<p>means any person who falls under one of the following sub-categories and who 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 as determined by the Board pursuant to the criteria set out in Clause 3.03:</p> <p>(i) suppliers, agents and service providers;</p> <p>(ii) advisors (professional or otherwise) or consultants; and</p> <p>(iii) independent contractors,</p> <p>excluding (A) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and (B) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;</p>	17.03A(1)(c)
“Service Provider Sublimit”	has the meaning ascribed to it in Clause 8;	
“Share(s)”	means the fully paid share(s) of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, the shares forming part of the share capital of the Company as shall result from any such sub-division, consolidation, re-classification or re-construction;	
“Shareholder(s)”	means holder(s) of the Share(s) from time to time;	
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;	
“Subscription Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to Clause 5;	
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance or the local companies law, act and/or ordinance where the subject company was incorporated) of the Company whether incorporated in Hong Kong or otherwise;	
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;	

- “**treasury share(s)**” has the meaning ascribed to it under the Listing Rules;
- “**Vesting Period**” has the meaning ascribed to it in Clause 6.04;
- “**HK\$**” means Hong Kong dollars, the lawful currency in Hong Kong; and
- “**%**” means per cent.

1.02 In this Scheme, save as where the context otherwise requires:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (b) references herein to Clauses are to clauses of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in singular shall include the plural and vice versa;
- (e) expressions in any gender shall include other genders;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind;
- (g) references to “**date of grant**” shall be construed as the Offer Date; and
- (h) references to “**Shares**” shall include treasury shares of the Company, and references to an allotment or issue of Shares or similar terms relating thereto shall include a transfer of treasury shares of the Company.

2. CONDITIONS

2.01 This Scheme shall take effect conditional upon:

17.02(1)(a)

- (a) the passing of an ordinary resolution approving the adoption of this Scheme by the Shareholders at a general meeting and authorising the directors of the Company to grant Options to Participants and to allot and issue Shares pursuant to the exercise of any Options granted under this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares to be issued pursuant to the exercise of Options under this Scheme.

3. PURPOSE, DURATION AND ADMINISTRATION

3.01 The purpose of this Scheme is for the Company to attract, retain and motivate talented Participants to strive for future developments and expansion of the Group and to provide it with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve

17.03(1)

from time to time.

- 3.02 In determining the basis of eligibility of each Participant, the Board would mainly take into account the experience of the Participant on the Group's business, the length of service of the Participant with the Group or Related Entity (as the case may be) (if the Participant is an Employee Participant or a Related Entity Participant), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Participant has established with the Group or Related Entity (as the case may be) (if the Participant is a Service Provider or a Related Entity Participant), and the amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Participant is likely to be able to give or make towards the success of the Group in the future. With respect to Related Entity Participants, the Board will also consider the experience of the Related Entity Participant on the Related Entity's business, the length of service of the Related Entity Participant with the Related Entity, the amount of contribution the Related Entity Participant has made or is likely to make towards the success of the Group through his/her involvement and participation at the Related Entity, the benefits and synergies provided by the Related Entity to the Group and such other factors as the Board may at its discretion consider appropriate. 17.03(2)

- 3.03 In assessing the eligibility of each Service Provider, the Board would consider, among others:

17.03A(2)

	Category	Scope of services	Eligibility criteria for Service Providers
(a)	suppliers, agents and service providers of any member of the Group	<p>(i) supply of agency, intermediary and/or professional services in relation to business and sales growth of the Group's insurance business</p> <p>(ii) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses, including but not limited to implementation and maintenance of information systems and related infrastructure</p> <p>(iii) supply of professional services in relation to research and development, implementation and maintenance of technology infrastructure, e.g., networks, artificial intelligence modeling and training, software engineering, system architecture and design, cloud infrastructure; product and system design or development in AI-powered applications and cybersecurity</p>	those that (i) operate in the industries in which the Group operates from time to time; (ii) engage with the Group on a regular or recurring basis; and (iii) provide significant contribution to the Group and its business
(b)	advisors (professional or otherwise) or	(i) advisory and consultancy services in respect of the Group's businesses in key areas, e.g., legal compliance,	those with specialties or expertise in areas that supplement the Group

	consultants to any member of the Group	<p>resources management, sales and marketing, strategic or commercial planning on corporate image and investor relations</p> <p>(ii) research and development in relation to financial technology and other new initiatives, market trends, project development and business expansion plans of the Group</p> <p>(iii) development and implementation of product and project plans that are material or essential to the growth and development of the Group's businesses</p>	or with which the Group would consider important to maintain a close business relationship on an ongoing basis, and that bring benefits and strategic value to the Group's development and future prospects
(c)	independent contractors	<p>(i) supply of important services in furtherance of product and system initiatives that are material or essential to the growth and development of the Group's businesses, including but not limited to implementation and maintenance of information systems and related infrastructure</p> <p>(ii) supply of professional services in relation to research and development, implementation and maintenance of technology infrastructure, e.g., networks, artificial intelligence modeling and training, software engineering, system architecture and design, cloud infrastructure; product and system design or development in AI-powered applications and cybersecurity</p>	those that provide advisory services, consultancy services, sales and marketing services and/or other professional services, taking into account (i) the reliability and quality of the services supplied; (ii) the materiality and nature of the business relationship with the Group; and (iii) the background, reputation and track record of the independent contractors

- 3.04 Subject to Clause 2 and Clause 12, this Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period, no further Options will be granted. Subject to compliance with provisions of Chapter 17 of the Listing Rules, the provisions of this Scheme shall remain in full force and effect and Options which are granted during the life of this Scheme may continue to be exercisable in accordance with the terms of their issue. 17.03(11)
- 3.05 This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.06 Subject to compliance with the requirements of the Listing Rules and the provisions of this Scheme, the Board shall have the right, among other matters, to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this

Scheme, and the number of Shares and the Subscription Price, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of this Scheme.

- 3.07 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) or for any mistake of judgment made in good faith for the purposes of this Scheme. The Company shall indemnify and hold harmless any employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated against any costs or 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 in connection with the administration of this Scheme, unless such act or omission has arisen out of such person's own fraud or bad faith.

4. GRANT OF OPTIONS

- 4.01 On and subject to the requirements of the Listing Rules and the terms of this Scheme, the Board shall be entitled at any time and from time to time within ten (10) years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to Clause 8) determine at the Subscription Price pursuant to Clause 5. 17.03(11)
- 4.02 No Offer shall be made: 17.05
- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or
 - (b) during the period of thirty (30) days immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results of any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.
- 4.03 An Offer shall be made to a Participant by letter (the "**Offer Letter**") in such form as the Board may from time to time determine specifying the number of Shares, Option Period, Subscription Price and the other relevant terms and conditions of the Option and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted, and to be bound by the provisions of this Scheme and all other conditions attaching to the Offer.
- 4.04 An Offer must be made on a business day and shall remain open for acceptance by the Participant concerned for a period of not less than ten (10) Business Days from the date of the Offer, provided that no Offer shall be capable of or open for acceptance after the 10th anniversary of the Adoption Date or after this Scheme has been terminated in accordance with the provisions hereof, whichever is earlier. An Option shall be deemed to have been accepted by the Grantee and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of 17.03(8)

which the Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within the period stipulated above. Such remittance shall in no circumstances be refundable or be considered as part of the Subscription Price.

- 4.05 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted in accordance with Clause 4.04, it will be deemed to have been irrevocably declined, and lapsed automatically.
- 4.06 Any Offer to a Participant who is a 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 of the Company (excluding any director who is a proposed Grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules. 17.04(1)
- 4.07 Where any proposed Offer to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective Associates, would result in the Shares issued and to be issued in respect of all options and awards granted under this Scheme and any other share schemes of the Company (excluding any options and awards lapsed in accordance with the terms of this Scheme and any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares of the Company), such further proposed Offer is subject to the approval of the Shareholders in general meeting with such Participant, his Associates and all core connected persons of the Company (which has the meaning ascribed to it under the Listing Rules) abstaining from voting in favour of the resolution and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. 17.04(3)
17.04(4)
17.04(5)

Shareholders' approval as required under this Clause is also required for any change in the terms of Options granted to a Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective Associates if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

Note (1) to
17.04(5)

5. SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to Clause 9, the Subscription Price shall be such price as determined by the Board in its absolute discretion (and shall be stated in the Offer Letter) but in any case the Subscription Price shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day; and (ii) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date, provided that for the purpose of calculating the Subscription Price, where the Shares have been listed on the Stock Exchange for less than five (5) business days, the new issue price shall be used as the closing price for any trading day falling within the period before such listing. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of such different period shall not be less than the Subscription Price determined in the manner set out in this Clause 5.

17.03(9)
17.03E

6. EXERCISE OF OPTIONS

- 6.01 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing shall render all outstanding Options of such Grantee automatically lapsed in accordance with Clause 7(b). 17.03(17)
- 6.02 An Option may be exercised in whole or in part in the manner as set out in Clauses 6.03 and 6.04 by the Grantee (or, as the case may be, his or her legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the total Subscription Price for the Shares in respect of which the notice is given. Within ten (10) Business Days after the later of (i) the receipt of the notice and the remittance; or (ii) the receipt of the certificate of the Company's independent financial adviser or Auditors pursuant to Clause 9, the Company shall allot the relevant Shares to the Grantee (or his or her legal personal representative(s)) credited as fully paid and issue to the Grantee (or his or her legal personal representative(s)) a share certificate in respect of the Shares so allotted.
- 6.03 Subject to as hereinafter provided and the conditions set out in the Offer Letter referred to in Clause 4.03, the Option may be exercised by the Grantee (or his or her legal personal representative(s)) at any time during the Option Period, provided that in respect of Options granted to any Grantee who is not an Employee Participant, at least twelve (12) months must have elapsed from the date of grant of Options up to date on which the Grantee (or his or her legal personal representative(s)) elects to exercise the relevant Option in accordance with any of the following prescribed circumstances:
- (a) in the event of the Grantee ceasing to be a Participant for any reason other than his or her death or the termination of his or her employment, directorship, office or appointment or engagement on one or more of the grounds specified in Clause 7(f), the Grantee may exercise the Option in accordance with Clause 6.02, up to his or her entitlement at the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised) within the period of three (3) months following the date of such cessation, which date shall be the last actual working day with the relevant member of the Group or the Related Entity, as the case may be, whether salary is paid in lieu of notice or not, or the last date of office or appointment as director or, as Service Provider to the relevant member of the Group, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of the relevant member of the Group or the Related Entity shall be conclusive, or such longer period following the date of cessation as the Board may determine (provided that the retirement of director(s) of the relevant member of the Group or the Related Entity at annual general meeting who is/are re-elected at the same meeting shall not be regarded as ceasing employment for the purpose of this paragraph);
 - (b) in the event that the Grantee ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment, directorship, office, appointment or engagement under Clause 7(f) arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of six (6) months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);

- (c) in the event of a general offer by way of takeover or otherwise (other than a scheme of arrangement pursuant to Clause 6.03(d)) is made to all 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, with the terms of the offer having been approved by any relevant regulatory authority and are in accordance with applicable laws and regulatory requirements and such offer becomes or is declared unconditional prior to the expiry of the Option, the Board shall forthwith give the relevant notice to the Grantee of such general offer, and the Grantee (or, as the case may be, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) at any time within fourteen (14) days after the date on which the offer (or, as the case may be, revised offer) becomes or is declared unconditional;
- (d) in the event of a general offer by way of a scheme of arrangement is made to all Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry of the Option, the Board shall forthwith give the relevant notice to the Grantee of such approval and the Grantee (or, as the case may be, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) within such time as shall be specified in the notice, after the period of which, the Option (to the extent not already exercised) will lapse automatically;
- (e) 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 (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees, and thereupon, each Grantee (or where permitted under Clause 6.03(b) his or her legal personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than five (5) 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 the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine; and
- (f) in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company (other than a general offer or a scheme of arrangement contemplated in Clause 6.03(c) or (d) above), the Company shall give notice thereof to all Grantees on the same day as or soon after it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal personal representative(s)) may, forthwith and until the expiry of the period commencing from such date and ending on the earlier of the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by Court, exercise any of his or her Options (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the Shares issued

17.03(10)

as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as possible as would have been the case had such Shares been subject to such compromise or arrangement.

- 6.04 Unless otherwise determined by the Board and specified in the Offer Letter, no performance target needs to be achieved by the Grantee before an Option can be exercised. The minimum period for which an Option must be held before the Option can be exercised (the “**Vesting Period**”) shall be determined by the Board, and in any case, shall not be less than twelve (12) months from the Offer Date, provided that for Employee Participants, the Vesting Period may be less than twelve (12) months from the Offer Date (including the Offer Date) in the following circumstances: 17.03(7)
17.03(6)
17.03F
- (a) grants of “make whole” Options to new Employee Participants to replace share options or awards such Employee Participants forfeited when leaving their previous employers;
 - (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event (under such circumstance, the vesting of Share Options may accelerate);
 - (c) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria which allow flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than twelve (12) months;
 - (d) grants of Options with accelerated vesting to reward exceptional performers for past performance and/or retain talented personnel taking into account the current business needs of the Group, changing market conditions and industry competition;
 - (e) grants of Options the timing of which are determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Period may be adjusted to take account of the time from which the Option would have been granted if not for such administrative or compliance requirements;
 - (f) grants of Options with a mixed vesting schedule such that the Options vest evenly over a period of twelve (12) months; or
 - (g) grants of Options with a total vesting and holding period of more than twelve (12) months.
- 6.05 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and the Companies Ordinance for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue as from the date of allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions to be paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment and issue, provided always that when the date of exercise of the Option falls on a date upon which the register of members is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of members is re-opened. A Share allotted upon the exercise of an Option, however, shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof. 17.03(10)
17.03(15)
- 6.06 The outstanding Options granted may not be exercised if all or part of the exercise of the Options will result in the holding of the total issued Shares (excluding any treasury shares of

the Company) by the public falling below 25% (or such other percentage stipulated under the Listing Rules).

- 6.07 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group or the Related Entity (as the case may be), no Option can be exercised until such suspension has been lifted.
- 6.08 In the event that the Subsidiary or Related Entity by which the Grantee is employed or appointed or contracted with (as the case may be) ceases to be a Subsidiary or a Related Entity of the Company (“**exit event**”), the Board may (but is not obliged to) within three (3) months following such exit event occurring, decide in its absolute discretion, subject to compliance with the relevant requirements of the Listing Rules, whether any Options shall:
- (a) in the case of any unvested Options:
 - (i) vest with an accelerated vesting schedule in whole or in part, provided that in respect of Options granted to any Grantee who is not an Employee Participant, at least twelve (12) months must have elapsed from the date of grant of Options;
 - (ii) continue to vest in whole or in part in accordance with the original or amended vesting schedule as determined by the Board; and/or
 - (iii) lapse forthwith in whole or in part on the date of the exit event;
 - (b) in the case of any vested but unexercised Options:
 - (i) be exercised by the Grantee subject to the original terms;
 - (ii) be exercised by the Grantee subject to amended terms and conditions applicable to such Options as determined by the Board, including without limitation, the Subscription Price and the Option Period; and/or
 - (iii) lapse forthwith in whole or in part on the date of the exit event,

Provided that if no determination is made by the Board under this Clause 6.08, the Options shall automatically lapse upon the expiry of three (3) months after the exit event occurring.

- 6.09 In the event of any of the following circumstances (“**clawback event**”) occurring prior to the vesting of Options:
- (a) a material misstatement or restatement in the audited financial accounts of the Company, the Subsidiary or the Related Entity (as the case may be) (other than as a result of a change in accounting practice);
 - (b) the negligence, fraud or serious misconduct of the Grantee which results in or is reasonably likely to result in:
 - (i) significant reputational damage to the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be);
 - (ii) a material adverse effect on the financial position of the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be); or

17.03(19)

- (iii) a material adverse effect on the business opportunities or prospects of the Company, the Subsidiary or the Related Entity (or to a relevant business unit thereof) (as the case may be); or
- (c) the Company, the Subsidiary or the Related Entity (as the case may be) by which the Grantee is employed or appointed or contracted with (as the case may be) suffering:
 - (i) significant reputational damage;
 - (ii) a material adverse effect on its financial position; or
 - (iii) a material adverse effect on its business opportunities or prospects,

the Board may in its discretion determine that the number of Shares subject to any such Options shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances.

7. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of: 17.03(12)

- (a) the expiry of the Option Period (subject to Clauses 3.04 and 12);
- (b) the date on which the Grantee commits a breach of Clause 6.01;
- (c) the expiry of any of the periods referred to in Clause 6.03(a), (b), (c) or (d);
- (d) subject to Clause 6.03(e), the date of the commencement of the winding-up of the Company;
- (e) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in Clause 6.03(f);
- (f) the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on any one or more of the grounds that he or she has been guilty of misconduct, or has been in breach of material term of the relevant employment, service, agency or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent or has been served a petition for bankruptcy or winding-up, or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer or an engaging party would be entitled to terminate his or her employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment, service, agency or engagement contract with the relevant member of the Group or the Related Entity, or the employment, directorship, office, appointment or engagement of the Grantee is terminated by the relevant member of the Group or the Related Entity pursuant to the contract thereof without notice. A resolution of the board of directors of the relevant member of the Group or the Related Entity (as the case may be) to the effect that employment, directorship, office, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in 17.03(19)

this Clause 7(f) shall be conclusive and binding on the Grantee; and

- (g) subject to Clause 6.08, the date of the exit event or the expiry of three (3) months after the exit event occurring (as the case may be).

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.01 Subject to the Listing Rules:

17.03(3)

- (a) (i) The total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company shall not exceed 405,929,167, representing 10% of the total number of Shares in issue (excluding any treasury shares of the Company) on the Effective Date (the “**Scheme Mandate Limit**”); and (ii) within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company to Service Providers shall not exceed 81,185,833, representing 2% of the total number of Shares in issue (excluding any treasury shares of the Company) on the Effective Date (the “**Service Provider Sublimit**”), unless the Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit or the Service Provider Sublimit in accordance with Clause 8.01(b) provided that Options lapsed in accordance with the terms of this Scheme and options or awards lapsed in accordance with the terms of any other share schemes of the Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit and/or the Service Provider Sublimit has been exceeded.

17.03B(1)

17.03B(2)

Note (1) to
Rule 17.03B

- (b) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit or the Service Provider Sublimit after three (3) years from the Effective Date or the date of approval of the Shareholders for the last refreshment such that the total number of Shares which may be issued in respect of all Options to be granted under this Scheme and all options or awards to be granted under any other share schemes of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue (excluding any treasury shares of the Company) as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit provided that Options previously granted under this Scheme and options or awards granted under any other share schemes (including those outstanding, cancelled or lapsed in accordance with the terms of this Scheme or any other share schemes of the Company or exercised or vested) will not be counted for the purpose of calculating the limit as “refreshed”. Any refreshment of the Scheme Mandate Limit or the Service Provider Sublimit within three (3) years from the Effective Date or the date of approval of the Shareholders for the last refreshment shall be subject to Shareholders’ approval in accordance with the requirements of the Listing Rules. For the purpose of seeking the approval of Shareholders under this Clause 8.01(b), a circular containing the information as required under the Listing Rules must be sent to the Shareholders.

17.03C(1)

17.03C(2)

- (c) The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the proposed Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under this Clause 8.01(c), the Company must send a circular to the Shareholders containing the names of the specified proposed Grantees of such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the

proposed Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such proposed Grantees must be fixed before Shareholders' approval and the date of the meeting of the Board for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

- 8.02 No Participant shall be granted an Option, if the total number of Shares issued and to be issued in respect of all the options or awards granted and to be granted to it or him or her under this Scheme and any other share schemes of the Company (excluding options and awards lapsed in accordance with the terms of this Scheme and any other share schemes of the Company) in any 12-month period up to and including the date of such further grant would exceed 1% of the Shares in issue (excluding any treasury shares of the Company) unless such further grant has been separately approved by the Shareholders in general meeting with the Participant and his Close Associates (or his Associates if the Participant is a connected person within the meaning of the Listing Rules) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted and the information as required under the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the Subscription Price. 17.03(4)
17.03D

9. REORGANISATION OF CAPITAL STRUCTURE

- 9.01 In the event of any alteration in the capital structure of the Company while any Option remains exercisable, whether by way of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of capital, the Company will adjust (if any): 17.03(13)
- (a) the number of Shares subject to the Option so far as unexercised;
 - (b) the Subscription Price; and/or
 - (c) the maximum number of Shares for which further Options may be granted under this Scheme,

provided that, following such adjustment, the proportion of the issued share capital of the Company which the Grantee is entitled to subscribe for pursuant to each Option shall be the same as immediately before such alteration in the capital structure of the Company (as calculated in accordance with the formulas for adjustments as set out in Appendix 1 to the Frequently Asked Questions FAQ13 issued by the Stock Exchange (or any successor guidance or interpretation of the Listing Rules in respect of the same subject matter issued by the Stock Exchange from time to time) ("**Supplementary Guidance**"). Any such adjustment shall be in compliance with the Listing Rules, and such applicable codes, guidance notes, and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

- 9.02 In addition, in respect of any such adjustment as provided in this Clause 9, other than any made on a capitalisation issue, an independent financial adviser or the Auditors must confirm in writing to the directors of the Company that such adjustment satisfies the requirements set out under the Note to Rule 17.03(13) of the Listing Rules and the Supplementary Guidance.
- 9.03 The capacity of the Company's independent financial adviser or the Auditors in this Clause 9 is that of an expert and not of an arbitrator and their certification shall, in absence of manifest

error, be final and binding on the Company and the Grantees.

- 9.04 The costs of the Company's independent financial advisers or the Auditors shall be borne by the Company.
- 9.05 Any adjustment made to the Subscription Price of, and/or the number of Shares subject to, any Options must comply with the Supplementary Guidance, Listing Rules and such applicable codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

10. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Board in its absolute discretion and whose decision shall be final, conclusive and binding.

11. ALTERATION OF THIS SCHEME

- 11.01 The provisions of this Scheme as to: 17.03(18)

- (a) the definitions of "Grantee", "Option Period" and "Participant" in Clause 1.01; and
- (b) the provisions of Clauses 3.01, 3.02, 3.03, 3.04, 4, 5, 6, 7, 8, 9, 12, 13 and this Clause 11 and to all such matters set out in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Participants except with prior approval of the Shareholders in general meeting.

- 11.02 Any alteration to the terms and conditions of this Scheme which are of a material nature must be approved by the Shareholders in general meeting. Any change to the terms of the Options granted must be approved by the Board, the independent non-executive directors of the Company, the Remuneration Committee and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the independent non-executive directors of the Company, the Remuneration Committee, and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- 11.03 The amended terms of this Scheme or the Options shall comply with the requirements of Chapter 17 of the Listing Rules.
- 11.04 Any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in general meeting.
- 11.05 The Company must provide to all Grantees all details relating to changes in the terms of this Scheme during the life of this Scheme immediately upon such changes taking effect.

12. TERMINATION

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of this Scheme and in such event no further Option will be offered but the provisions of this Scheme shall remain in full force and effect. Upon such termination, 17.03(16)

details of the Options granted (including Options exercised or outstanding) under this Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established or refreshment of the scheme mandate limit under any existing share schemes of the Company thereafter. All outstanding Options granted before termination of this Scheme shall continue to be valid and exercisable for a period of six (6) months from the date of termination in accordance with the Scheme.

13. CANCELLATION OF OPTIONS

Subject to Clause 6.03, the Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where any Option is cancelled and new Options are to be issued to the same Participant, the issue of such new Options may only be made under this Scheme with available unissued Options (excluding the cancelled Options) within the limits approved by Shareholders as set out in Clause 8.01(a) to (c). 17.03(14)

14. MISCELLANEOUS

- 14.01 This Scheme shall not form part of any contract of employment or contract for service (as the case may be) between the Company or any Subsidiary and any Participant and the rights and obligations of any Participant under the terms of his or her office, employment or service shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such Participant no additional rights to compensation or damages in consequence of the termination of such office, employment or service for any reason.
- 14.02 The Company shall bear the costs of establishing and administering this Scheme.
- 14.03 The Company shall provide a summary of the terms of this Scheme to all Grantees upon their joining this Scheme and a copy of the rules of this Scheme to any Grantee who requests such a copy.
- 14.04 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders.
- 14.05 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or as otherwise notified to the Grantees from time to time and, in the case of the Grantee, his or her residential address in Hong Kong as notified to the Company from time to time. Notices may also be sent electronically to recipients by sending it to the address notified by the recipient to the other parties from time to time for receipt of electronic notices.
- 14.06 Any notice or other communication:
- (a) by the Company shall be deemed to have been served (i) 24 hours after the same was put in the post, if served by post; (ii) when delivered, if delivered by hand; and (iii) at the time of transmission if no delivery failure notification is received by the sender 24 hours after transmitting the message, if sent electronically; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 14.07 The Grantee shall be responsible for obtaining any governmental or other official consent that

may be required by any country or jurisdiction in order to permit the grant or exercise of the 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 its or his or her participation in this Scheme.

- 14.08 The Grantee shall be liable for all taxes, social security contributions and other levies arising out of or in connection with his participation in this Scheme and shall indemnify the Company and/or any Subsidiary against any liability each of them may have to pay or account for such taxes, contributions or levies, including any withholding liability in connection with any taxes. To give effect to this, the Company or any Subsidiary in its absolute discretion may, notwithstanding anything else contained in the rules of this Scheme (but subject to applicable law):
- (a) reduce or withhold the number of the Shares subject to the Option granted to the Grantee (the number of Shares subject to the Option that may be reduced or withheld shall be limited to the number of Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board, is sufficient to cover such liability);
 - (b) sell, on the Grantee's behalf, such number of Shares to which the Grantee becomes entitled under this Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency; and/or
 - (c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under this Scheme or from any payments due from the Company or any Subsidiary to the Grantee.
- 14.09 By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant of Option subject to the provisions of this Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate it or him or her for loss of any rights under this Scheme.
- 14.10 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with Hong Kong laws.