

EC HEALTHCARE

醫思健康

SHARE OPTION SCHEME

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EC HEALTHCARE
醫思健康

(Incorporated in the Cayman Islands with limited liability)

RULES OF THE SHARE OPTION SCHEME

1. DEFINITIONS

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

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

"**Adoption Date**" means [29 May] 2023, the date on which this Scheme was conditionally adopted by an ordinary resolution of the shareholders of the Company;

"**approved independent financial adviser**" means such independent financial adviser as approved by the Board;

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

"**associate**" shall have the meaning ascribed to it in the Listing Rules, as amended and varied from time to time;

"**Auditors**" means the auditors for the time being of the Company,

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

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

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

"**Cancelled Shares**" means, unless expressly stated otherwise in this Scheme, those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently cancelled;

"**close associate**" shall have the meaning ascribed to it in the Listing Rules, as amended or varied from time to time;

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

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

"**Companies Ordinance**" means the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;

"**Company**" means EC Healthcare, a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange;

"**Connected Person**" has the meaning ascribed to it in the Listing Rules, as amended or varied from time to time;

"**Core Connected Person**" has the meaning ascribed to it in the Listing Rules, as amended or varied from time to time;

"**Doctor Group**" means service providers who are qualified medical doctors and who (i) became service providers on or after 1 March 2023; (ii) provide services to the relevant Group Company in a speciality practice area; and (iii) have equal or greater than ten years of experience practising as qualified medical doctors;

"**Eligible Participant**" means:

- (a) any director and/ or employee of the Company or any of its subsidiaries (and including persons who are granted options under this Scheme as an inducement to enter into employment contracts with these companies) ("**Employee Participant**");
- (b) any director and/ or employee of the holding companies, fellow subsidiaries or associated companies of the Company ("**Related Entity Participant**"); and
- (c) any Service Provider;

"**Exercise Date**" means the date of the notice given by the Grantee in respect of the exercise of the Option in accordance with paragraph 7.1;

"**Exercise Price**" means the price per Share at which a Grantee may subscribe for Shares upon exercise of an Option as determined by the Board in accordance with paragraph 6;

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

"**Grantee**" means any person and/or entity owned by any Eligible Participant who has participated or will participate in this Scheme by confirming the acceptance of offer(s) of Option(s) granted or to be granted under this Scheme;

"**Group**" means the Company and its subsidiaries and a "Group Company" means any of the aforesaid companies;

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

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

"**Listing Rules**" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;

"New Approval Date" has the meaning given in paragraph 9.2;

"New Scheme Limit" has the meaning given in paragraph 9.2;

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

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

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

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

"other schemes" means other than this Scheme:

- (a) share schemes of the Company involving the grant by the Company (i) new Shares; or (ii) options over new Shares, to, or for the benefit of, specified participants under such schemes (which includes a grant of any such Shares or options to a trust or similar arrangement for the benefit of a specified participant);
- (b) share schemes of the Company that are funded by existing Shares;
- (c) share schemes of a principal subsidiary of the Company; or
- (d) any arrangement involving the grant of shares or other securities of the Company or a principal subsidiary of the Company (including options over any such shares or securities) which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Rule 17.01 of the Listing Rules;

"Performance Targets" means any one or more performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Service Providers, and assessed either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Directors (or, as the case may be, the remuneration committee of the Board) in their sole discretion, including, without limitation, one or more of the criteria as specified in this Scheme;

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

"this Scheme" means the Share Option Scheme, the rules of which are set out in this document in its present or any amended form;

"Scheme Limit" has the meaning ascribed to it in paragraph 9.1;

"Scheme Period" means a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive);

“Senior Manager” refers to a member of senior management disclosed in the annual report of the Company as required under paragraph 12 to Appendix 16 of the Listing Rules;

"Service Provider(s)" means any person who, or entity which, provides services to a Group Company 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 Committee), namely members of the Doctor Group and individual medical professionals who provide services to, or on behalf of, a Group Company;

"Service Provider Sublimit" has the meaning ascribed to it in paragraph 9.1;

"Shares" means ordinary shares of in the share capital of the Company with par value of HK\$0.00001 or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

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

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

"Subsidiary" has the meaning ascribed to it in the Listing Rules and the Companies Ordinance;

"substantial shareholder" has the meaning ascribed to it in the Listing Rules; and

"Vesting Period" means the vesting period as described in the respective Grantee's Offer Document.

In this Scheme, save as specifically mentioned, all references to the definitions and rules on connected transactions shall be references to those definitions and rules contained in Chapter 1 and Chapter 14A of the Listing Rules in effect from time to time.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and

- (f) a reference to a "person" shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. **CONDITIONS**

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

- (a) the passing by the Shareholders at a general meeting of the Company of an ordinary resolution to approve the adoption of this Scheme and to authorise the Board to grant Options under this Scheme and to allot and issue Shares pursuant to the exercise of any Option; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any Options which may be granted under this Scheme.

3. **PURPOSE, DURATION AND CONTROL OF THIS SCHEME**

- 3.1 The purpose of this Scheme is to provide an incentive or reward for the Grantees for their contribution or potential contribution to the Company and/or any of its Subsidiaries.
- 3.2 Subject to paragraph 14 and fulfilment of the conditions in paragraph 2, this Scheme shall be valid and effective during the Scheme Period after which no further Options will be granted but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.
- 3.3 This Scheme shall be subject to the administration of the Board (or any committee as may be authorised by the Board) whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board shall have the right to (i) interpret and construe the provisions of this Scheme, (ii) determine the persons who will be granted Options under this Scheme, and the number and Exercise Price of Options granted thereto, (iii) make such appropriate and equitable adjustments to the terms of Options granted under this Scheme as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

4. **OPTIONS**

- 4.1 The Board shall, subject to and in accordance with the provisions of this Scheme and the Listing Rules, be entitled to but shall not be bound, at any time on any Business Day during the Scheme Period to offer to grant an Option to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised) as it may think fit, provided that the maximum number of Shares in respect of which Options may be granted under this Scheme to any Eligible Participant, shall not, when aggregated with:

- (a) any Shares issued upon exercise of Options or options, awards or securities under any other schemes which have been granted to that Eligible Participant;
- (b) any Shares which would be issued upon the exercise of outstanding Options or options, awards or other securities under any other schemes granted to that Eligible Participant; and
- (c) any Cancelled Shares which were the subject of Options or options, awards or securities under any other schemes which had been granted to and accepted by that Eligible Participant,

in any 12-month period up to the Offer Date, exceed 1% of the number of Shares in issue on the Offer Date.

4.2 If the Board determines to offer Options to an Eligible Participant which exceed the limit set out in paragraph 4.1:

- (a) that grant shall be subject to (i) the issue of a circular by the Company to its shareholders which shall comply with Rules 17.03D(2) and 17.06 of the Listing Rules and/or such other requirements as prescribed under the Listing Rules from time to time; and (ii) the approval of the shareholders of the Company in general meeting at which that Eligible Participant and his close associates (or his associates if the Grantee is a Connected Person) shall abstain from voting; and
- (b) unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board resolves to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.

4.3 If the Board determines to offer an Option to an Eligible Participant in accordance with paragraph 4.1, the Board shall forward to the relevant Eligible Participant an Offer Document or, alternatively, documents accompanying the offer document which state among others:-

- (a) the Eligible Participant's name, address and occupation;
- (b) the Offer Date;
- (c) the Acceptance Date;
- (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
- (e) the number of Shares in respect of which the Option is offered;
- (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
- (g) the Expiry Date in relation to that Option;
- (h) the method of acceptance of the Option which, unless the Board otherwise determines, shall be as set out in paragraph 4.4;
- (i) any minimum period for which an Option must be held before it can be exercised;

- (j) the vesting schedule, which shall not be shorter than 12 months from the date upon which an offer of Options is accepted (subject to exceptions);
- (k) the performance targets which must be achieved before the Option can be exercised (if any); and
- (l) such other terms and conditions relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the Listing Rules.

4.4 An Option shall be deemed to have been granted (subject to certain restrictions in this Scheme), and accepted by the Grantee and to have taken effect upon the issue of an option certificate after the duplicate Offer Document constituting acceptance of the Option duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable and shall be deemed as part payment of the Exercise Price. Upon acceptance, the Option is granted as from the Offer Date.

4.5 Any offer to grant an Option may be accepted in respect of less than the number of Shares for which it is offered, provided that it must be accepted in respect of a Board Lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate Offer Document constituting acceptance of the Option in the manner as set out in paragraph 4.4. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.

4.6 The Options shall not be listed or dealt in on the Stock Exchange.

4.7 An Option and an offer to grant an Option shall be personal to the Grantee and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any offer relating to the grant of an Option made to him or attempt to do so, provided that where (i) the directors of the Company give their express consent in writing (which consent may or may not be given by the directors of the Company at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by a grantee may be allowed to be transferred to a vehicle (such as a trust or private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for purposes of estate planning or tax planning or such other reasons as the directors of the Company and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of this Scheme and comply with the requirements of Chapter 17 of the Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee to the extent not already exercised.

4.8 For so long as the Shares are listed on the Stock Exchange, the Board shall not grant any Option after any inside information has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period of one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of (i) its results for any year or half-year period in accordance with the Listing Rules, or (ii) its results for any quarterly or

any other interim period where the Company has elected to publish them, whether or not required under the Listing Rules,

and ending on the actual date of the results announcement for such year, half year, quarterly or interim period (as the case may be). The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

4.9 For so long as the Shares are listed on the Stock Exchange, no Option may be granted to a Director on any day on which financial results of the Company are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

or such other periods or times (if any) during which the Directors are prohibited from dealing in Shares pursuant to the Listing Rules or any code or securities dealing restrictions adopted by the Company.

4.10 Unless the Directors otherwise determined, a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him or be subject to the clawback mechanism referred to in paragraph 4.11 below. Where any grant of Options to the Directors and/ or senior managers is without performance target and/ or clawback mechanism, the remuneration committee shall form a view as to why performance target and/ or clawback mechanism is not necessary and how the grants align with the purpose of this Scheme.

4.11 In respect of any Option which is performance linked, if any of the following events (“**Clawback Event**”) shall occur during an Option Period:

- (a) there being a material misstatement in the financial information of the Company which is related to the performance target that requires a restatement;
- (b) the Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or
- (c) if a grant of Option or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but not obliged to) by notice in writing to the Grantee concerned (i) claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate, (ii) extend the Vesting Period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to this paragraph 4.11 will be regarded as cancelled and the Options so calculated will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

4.12 The Vesting Period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (a) an Employee Participant who is a Director or a senior manager specifically identified by the Company, the remuneration committee of the Board shall; or
- (b) an Employee Participant who is not a Director nor a senior manager specifically identified by the Company, the Directors shall

have the authority to determine a shorter Vesting Period in the following circumstances:

- (i) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers, which would provide talents with higher incentives in joining the Group for the Group’s further development;
- (ii) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted which allows flexibility for the Company to reward employees in case of delays due to administrative or compliance reasons;
- (iv) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months, which provides flexibility for the Company in granting Options; or
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than twelve (12) months,

after having taken into consideration the experience and seniority of the relevant Employee Participant, the number of shares held by such Employee Participant, the number of Shares being the subject of Options or share awards granted to him (or, where relevant, by his former employer), his remuneration package, his contributions to the Group and his performance level, any performance-based vesting conditions prescribed under the Offer and such other factors as the remuneration committee of the Board (or, as the case may be, the Directors) considers to be relevant or appropriate.

5. OPTIONS TO CONNECTED PERSONS

5.1 Subject to other requirements of this Scheme, if the Board determines to offer to grant Options to any Connected Person, such grant shall be subject to the approval by the independent non-executive directors of the Company (and in the event that the Board offers to grant Options to an independent non-executive director of the Company, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant).

5.2 If the Board determines to offer to grant Options to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all options, awards or securities already granted and proposed to be granted (including options exercised, cancelled and outstanding) to such person under this Scheme and any other schemes in the 12-month period up to and including the Offer Date represent in aggregate over 0.1%, or such other percentage as may from time to time be provided under the

Listing Rules, of the Shares in issue on the Offer Date, such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company as referred to under paragraph 5.1, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting by way of a poll convened and held in accordance with the Articles at which the proposed Grantee, his/ her/ its associates and all Core Connected Persons of the Company shall abstain from voting, and/or such other requirements prescribed under the Listing Rules from time to time. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.

- 5.3 The circular to be issued by the Company to its shareholders pursuant to paragraph 5.2 shall contain the following information:
- (a) details of the number and terms of the Options to be granted to each Eligible Participant which must be fixed before the shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant of Options is to be taken as the date of grant for the purpose of calculating the exercise price;
 - (b) the views of the independent non-executive directors of the Company (excluding any independent non-executive director who is also a Grantee of the proposed Options) as to whether the terms of the grant of Options are fair and reasonable and whether such grant of Options is in the interests of the Company and its shareholders as a whole, and their recommendation to the independent shareholders of the Company as to voting;
 - (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
 - (d) the information required under Rule 2.17 of the Listing Rules.

6. EXERCISE PRICE

The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 10, be determined by the Board in its sole discretion. However, in no circumstances shall the Exercise Price be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date;
- (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

7. EXERCISE OF OPTIONS

- 7.1 Subject to paragraphs 7.2, 7.3 and 7.4, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one Board Lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the approved independent financial adviser as the case may be pursuant to paragraph 10, the Company shall allot and issue the relevant number of Shares to

the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

- 7.2 The manner in which the Grantees is entitled to exercise their Option shall be set out in the respective Grantee's Offer Document.
- 7.3 The exercise of any Option shall be subject to the approval of shareholders of the Company in general meeting of any necessary increase in the authorised share capital of the Company.
- 7.4 Unless otherwise provided in the respective Grantee's Offer Document, subject as hereinafter provided and only to the extent to which the Option is exercisable pursuant to paragraph 7.2 hereof but is not exercised, an Option may be exercised by a Grantee at any time or times during the Option Period provided that:
- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in paragraph 8(e), the Grantee may exercise the Option up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Company or any of its Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not);
 - (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its Subsidiaries under paragraph 8(e) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised);
 - (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the Options granted to them as shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;
 - (d) If a compromise or arrangement between the Company and its shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Act, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to shareholders and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to

be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already lapsed or exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in accordance with paragraph 7.1, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

7.5 No dividends shall be payable in relation to the Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

7.6 Options granted under this Scheme shall be subject to such vesting conditions as set forth in this Scheme and the respective Grantee's Offer Document. In addition to such other performance-based vesting conditions (if any) set forth in the respective Grantee's Offer Document and unless otherwise approved by the Board in writing, (i) the vesting schedule requires continued employment of or service by the respective Grantee through each applicable vesting date as a condition to the vesting of the applicable percentage of the Option and the rights and benefits under this Scheme and the respective Grantee's Offer Document, and (ii) employment or service for only a portion of the respective Vesting Period, even if a substantial portion, will not entitle the respective Grantee to any proportionate vesting of the Option.

8. LAPSE OF OPTION

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

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 7.4(b), (c), (d) or (e);
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph 7.4(d) becomes effective;
- (d) the date of commencement of the winding-up of the Company in respect of the situation contemplated in paragraph 7.4(e) (as determined in accordance with the Companies Act);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of the Company and/or any of its Subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
- (f) the date that is thirty (30) days after the date on which the Grantee is terminated by the Company and/or any of its Subsidiaries on a ground other than those set forth in paragraph 8(e);
- (g) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 4.7 or the Options are cancelled in accordance with paragraph 15; and
- (h) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Document, if any.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Unless further approval has been obtained pursuant to paragraphs 9.2 and/or 9.4 and subject to paragraph 9.5, the maximum number of Shares in respect of which options may be granted under this Scheme shall not in aggregate exceed the number of Shares that shall represent 5% ("**Scheme Limit**") of the total number of Shares in issue as at the Adoption Date. The sublimit under the Scheme Limit on the total number of Shares that may be issued in respect of all Options to be granted to Service Providers under this Scheme ("**Service Provider Sublimit**") shall not exceed 2% of the total number of Shares in issue as at the Adoption Date. As at the Offer Date of any proposed grant of Options, the maximum number of Shares in respect of which Options may be granted is the Scheme Limit (or the Service Provider Sublimit) less the aggregate of the following Shares as at that Offer Date:

- (a) the number of Shares which would be issued on the exercise in full of the Options (or, as the case may be, such Options to Service Providers) but not cancelled, lapsed or exercised;
- (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Options under this Scheme (or, as the case may be, such Options to Service Providers); and

- (c) the number of Cancelled Shares, which were the subject of Options (or, as the case may be, such Options granted to the Service Providers).

For the avoidance of doubt, Options lapsed in accordance with the terms of this Scheme will not be counted for the purpose of calculating towards the Scheme Limit (or the Service Provider Sublimit).

9.2 The issue of a circular by the Company which complies with the Listing Rules and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Scheme Limit may be refreshed from time to time to 5% of the Shares in issue (“**New Scheme Limit**”) (or the Service Provider Sublimit may be refreshed from time to time to 2% of the Shares in issue) as at the date of such shareholders’ approval (“**New Approval Date**”). Thereafter, as at the Offer Date of any proposed grant of Options, the maximum number of Shares in respect of which Options may be granted is the New Scheme Limit (or the Service Provider Sublimit) less the aggregate of the following Shares as at that Offer Date:

- (a) the number of Shares which would be issued on the exercise in full of the Options (or as the case may be, Options granted to the Service Providers) granted on or after the New Approval Date but not cancelled, lapsed or exercised;
- (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Options (or as the case may be, Options granted to the Service Providers) granted on or after the New Approval Date; and
- (c) the number of Cancelled Shares, which were the subject of Options (or as the case may be, Options granted to the Service Providers) granted on or after the New Approval Date.

For the avoidance of doubt, options previously granted under this Scheme (including these outstanding, cancelled, lapsed in accordance with this Scheme or exercised options) will not be counted for the purpose of calculating the New Scheme Limit.

9.3 Where the refreshment of the Scheme Limit (and/ or the Service Provider Sublimit) is sought:

- (a) within three years from the date of shareholders’ approval for the last refreshment (or, as the case may be, the date of adoption of this Scheme): (i) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and (ii) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing); and
- (b) after three years from the date of shareholders’ approval for the last refreshment (or, as the case may be, the date of adoption of this Scheme), the requirements under paragraph 9.3(a) shall not be applicable.

9.4 The Board may grant Options exceeding the Scheme Limit to Eligible Participants specifically identified by the Board if the following are fulfilled:

- (a) the issue of a circular by the Company to its shareholders containing the name of Eligible Participants who are specifically identified in excess of the Scheme Limit, number and terms of the Options to be granted, the purpose of granting such Options to the Grantees with an explanation as to how the terms of the Options serve such purpose and the information required under Rule 17.03C(3) of the Listing Rules;

- (b) the approval of the shareholders of the Company in general meeting in compliance with Rules 17.03C(3) and 17.06 of the Listing Rules has been obtained; and/or
- (c) such other requirements prescribed under the Listing Rules from time to time have been complied with.

9.5 The Scheme Limit referred to in paragraph 9.1 (or as refreshed in accordance with paragraphs 9.2 and/or 9.3, as the case may be) shall be adjusted, in such manner as the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company in accordance with paragraph 10.

10. CAPITAL RESTRUCTURING

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

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

as the approved independent financial adviser shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have as near as possible the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all the issuers relating to share option schemes) as that to which the Grantee was previously entitled to subscribe had he exercised all the Options held by him immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustment to the Exercise Price and number of Shares should be made to the advantage of the Eligible Participants without specific prior approval of the shareholders of the Company. The capacity of the approved independent financial adviser in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

10.2 In respect of any adjustments required by paragraph 10.1, other than any made on a capitalisation issue, the approved independent financial adviser shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules from time to time.

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

11. SUFFICIENT SHARE CAPITAL

Subject to paragraph 7.3, the Board shall at all times set aside for the purposes of this Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

12. DISPUTES

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

13. ALTERATION OF THIS SCHEME

13.1 The terms and conditions of this Scheme and the regulations for the administration and Rule 17.03(18) operation of this Scheme (provided that the same are not inconsistent with this Scheme and the Listing Rules) may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules, including without limitation, the definitions of "Eligible Participant", "Expiry Date", "Grantee" and "Option Period" in paragraph 1.1 and the provisions in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 14, 15 and this paragraph 13; or
- (b) any material alteration to the terms and conditions of this Scheme or any change the terms of Options granted (except any alterations which take effect automatically under the terms of this Scheme), or any change to the authority of the Board in respect of alteration of this Scheme,

must be made with the prior approval of the shareholders of the Company in general meeting at which any persons to whom or for whose benefit the Shares may be issued under this Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of this Scheme or the Options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date or the sanction of a Special Resolution; and
- (ii) the approval of the Board, the remuneration committee of the Company, the independent non-executive directors of the Company and/ or the shareholders of the Company if the initial grant of the Option was approved by the Board, the remuneration committee of the Company, the independent non-executive directors of the Company and/ or the shareholders of the Company (as the case may be).

Written notice of any alterations made in accordance with this paragraph 13.1 shall be given to all Grantees.

13.2 In respect of any meeting of Grantees referred to in paragraph 13.1, all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:-

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

14. **TERMINATION**

14.1 The Company may by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme and in such event no further Options shall be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with this Scheme.

14.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of any new scheme established after the termination of this Scheme.

15. **CANCELLATION OF OPTIONS**

Any cancellation of Options granted but not exercised must be approved in writing by the Grantees of the relevant Options. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 4.7. Where the Company cancels Options, the grant of new Options to the same Grantee may only be made under this Scheme within the limits set out in paragraphs 4.1, 9.1 and 9.2.

16. **DISCLOSURE IN ANNUAL REPORTS, INTERIM REPORTS AND ANNOUNCEMENT**

The Board shall procure that (i) details of this Scheme and other schemes of the Company and its Subsidiaries and other required information under the Listing Rules are disclosed in the annual reports and interim reports of the Company, (ii) a summary of material matters relating to this Scheme and other schemes of the Company reviewed and/ or approved by the remuneration committee of the Company during each financial year is disclosed in the corporate governance report of the Company

and (iii) details of each grant of Options are disclosed by way of announcements in compliance with the Listing Rules in force from time to time.

17. GENERAL

- 17.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the approved independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 17.2 No person shall, under any circumstances, hold the Board and/or the Company and/or other Eligible Participants liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.
- 17.3 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him, during normal office hours at the Company's principal place of business in Hong Kong at L50, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong (the "**Company's Headquarters**").
- 17.4 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, the Company's Headquarters and, in the case of the Grantee, his address as notified to the Company from time to time.
- 17.5 Any notice or other communication served:-
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post, or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 17.6 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consent under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with, the grant or exercise of an Option. The obtaining of such consents shall be a condition precedent to the acceptance of an Offer and exercise of his Option by a Grantee. By accepting an Offer or exercising his Option, the Grantee is deemed to have represented to the Company that he has fulfilled such condition. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject to as a result of his participation in this Scheme.
- 17.7 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 17.8 This Scheme shall not form part of any contract of employment/ service between the Company or any of its Subsidiaries and any Eligible Participant who is an employee or consultant of the Company and/ or any of its Subsidiaries and the rights and obligations of any Eligible Participant under the terms of his office, employment or service shall not be affected by his participation in it, and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 17.9 The Company shall maintain all necessary books of account and records relating to this Scheme.
- 17.10 This Scheme shall in all respects be administered by the Board which (a) shall administer this Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the Listing Rules for the conduct of this Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.
- 17.11 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his interest, vote on any Board resolution concerning this Scheme (other than in respect of his own participation therein) and may retain any benefit under this Scheme.

18. **GOVERNING LAW**

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