

**GANGLONG CHINA PROPERTY GROUP LIMITED**

**港龍中國地產集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6968)

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**THE SHARE OPTION SCHEME**

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(To be adopted by an ordinary resolution passed by the shareholders of the Company  
at the annual general meeting of the Company held on 30 June 2026)

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### THE SHARE OPTION SCHEME

#### 1. DEFINITIONS

1.1 In this Scheme, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the Shareholders approved the adoption of the Scheme;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associate(s)”	shall have the meaning as defined under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company from time to time;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“Company”	Ganglong China Property Group Limited (港龍中國地產集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	shall have the meaning ascribed to it in the Listing Rules;
“controlling shareholder(s)”	shall have the meaning ascribed to it in the Listing Rules;
“core connected persons”	shall have the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	Employee Participant(s), Service Provider(s) and Related Entity Participant(s) who in the sole discretion of the Board has contributed or

	will contribute to the Group;
<b>“Employee Participant(s)”</b>	any Director (including independent non-executive Director) or employee of the Group (whether full-time or part-time) (including persons who are granted Options under the Scheme as an inducement to enter into employment contracts with the Group);
<b>“Grantee”</b>	any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme;
<b>“Group”</b>	the Company and its Subsidiaries from time to time, and the expression <i>member(s) of the Group</i> shall be construed accordingly;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Inside Information”</b>	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
<b>“Offer”</b>	an offer for the grant of an Option made in accordance with this Scheme;
<b>“Offer Date”</b>	the date on which an Offer is made to an Eligible Participant, which must be a business day;
<b>“Option(s)”</b>	a right to subscribe for Shares granted pursuant to the terms of this Scheme;
<b>“Option Period”</b>	in respect of any particular Option, the period during which the Option may be exercised as determined by the Board provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained herein;
<b>“Scheme”</b>	this share option scheme;
<b>“Scheme Mandate Limit”</b>	has the meaning ascribed to it in sub-paragraph 8.1(a);
<b>“Service Provider(s)”</b>	person(s) and/or corporate entity(ies) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group. For the

avoidance of doubt, Service Providers include independent contractors, consultants, agents, advisers and suppliers engaged to provide services in relation to design and construction, hospitality, management, technical consulting, sales and marketing services, peers' performance analysis and operation management consulting, but exclude (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;

<b>“Service Provider Sublimit”</b>	has the meaning ascribed to it in sub-paragraph 8.1(b);
<b>“Share Registrar”</b>	branch share registrar and transfer office of the Company in Hong Kong for the time being;
<b>“Share(s)”</b>	ordinary share(s) in the share capital of the Company with a par value of HK\$0.01 each
<b>“Shareholder(s)”</b>	holder(s) of the Share(s);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“substantial shareholder(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers and Shares Buy-backs;
<b>“Treasury Shares”</b>	Shares repurchased and held by the Company in treasury, as authorised by the laws of the Cayman Islands and the Articles which include Shares repurchased by the Company and held or deposited in the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited for sale on the Stock Exchange. For the purposes of this Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
<b>“%”</b>	per cent.

- 1.2 In this Scheme, save where the context otherwise requires:
- (a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
  - (b) references to paragraph or paragraphs are references to paragraph or paragraphs hereof;
  - (c) words importing the singular include the plural and vice versa;
  - (d) words importing one gender include both genders and the neuter and vice versa;
  - (e) references to persons include bodies corporate and unincorporated;
  - (f) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
  - (g) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

## **2. CONDITIONS**

- 2.1 The adoption of this Scheme is conditional upon:
- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under this Scheme; and
  - (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of this Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares or to transfer the Treasury Shares (if any) pursuant to the exercise of any Options granted under this Scheme.
- 2.2 Reference in sub-paragraph 2.1 to the Listing Committee of the Stock Exchange formally granting the approvals, listing and permission referred to therein shall include any such approvals, listing and permission which are granted subject to conditions.
- 2.3 A certificate of a Director that the conditions set out in sub-paragraph 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.
- 2.4 The listed issuer must publish an announcement on the outcome of the Shareholders meeting as referred to in sub-paragraph 2.1(b) for the adoption of this Scheme in the manner as set out in Rule 13.39(5) of the Listing Rules.

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

- 3.1 The purpose of this Scheme is to attract skilled and experienced personnel, incentivize them to remain with the Group, and motivate them to strive for the future development and expansion of the Group, by providing them with the opportunity to be granted equity interests in the Company.
- 3.2 This Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to this Scheme or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of this Scheme, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this Scheme, and the number of Shares and the Exercise 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.
- 3.3 In determining the basis of eligibility of each Eligible Participant, the Board will consider, including but without limitation, the present and future contributions of the relevant Eligible Person, their performance as well as the Group's overall business objectives and future development plan.
- 3.4 Regarding the eligibility of Employee Participants, the Board will consider factors including but not limited to the nature and extent of contributions provided by Employee Participants to the Group, their special skills or technical knowledge relevant to the continuing development of the Group, their positive impact to the Group's business and development and whether granting Options to such Employee Participant is an appropriate incentive to motivate, retain and attract such Employee Participants to continue to contribute towards the betterment of the Group.
- 3.5 Regarding the eligibility of Related Entity Participants, the Board will consider factors including but not limited to the experience of the Related Entity Participants on the Group's business, the length of engagement with the Group, the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group, the number, scale and nature of the projects in which the Related Entity Participant is involved, the materiality and nature of the business relations of fellow subsidiaries or associated companies of the Group and the Related Entity Participant's contribution in such fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship, the amount of support, assistance, guidance, advice, efforts and contributions given or likely to be given towards the Group in the future.
- 3.6 For Service Providers, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

#### ***Contractors and Suppliers***

- 3.7 Service Providers under this category are contractors and suppliers which the Group engages for: (1) services related to the design and construction of residential and commercial properties; (2) hospitality services and management of residential and commercial properties; (3) technical consulting services for the planning, construction, infrastructure development, and management and/or operation of projects, residential and commercial properties; and (4) sales and marketing services pertaining to the sale and/or lease of residential and commercial properties.
- 3.8 The Board will take into account, amongst others, (i) The background, expertise, professional qualifications and industry experience of the Service Provider; (ii) the nature, reliability and quality of the services supplied in relation to the Group's businesses; (iii) the scale of the Service Provider's business dealings with the Group with regard to factors such as income or savings in terms of expenses attributable to such Service Provider, the materiality and nature of such business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies)); (iv) the Group's period of engagement of or collaboration with the Service Provider; (v) the favorable pricing offered by long-term cooperative Service Providers; (vi) the prevailing market fees chargeable by comparable services providers, and (vii) the Service Provider's actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.

***Consultants, Agents and Advisers***

- 3.9 Service Providers under this category are consultants, agents and advisers which the Group engages for: (1) Services on conducting analysis regarding the performance of industry peers for an overall view of the PRC property market; and (2) Consultancy service on operational and management efficiency to achieve optimal cost structure which are useful to the Group in enhancing the financial performance of the projects undertaken during the ordinary course of business.
- 3.10 The Board will take into account, amongst others, (i) the background, expertise, professional qualifications and industry experience of the Service Provider; (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services (if any); (iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies)); (iv) the frequency of collaboration within each contract term and the length of their business relationship with the Group; (v) whether the frequency of the services provided is akin to that of its employees; (vi) the ability of the Service Provider to maintain the quality of services; (vii) the benefits and strategic value brought or to be brought by the Service Provider to the Group's development and future prospects with regard to factors such as the actual or expected change in the Group's profits and/or income which is or may be attributable to the Service Provider's collaboration with the Group; and (viii) the individual performance of the relevant consultants, agents and advisers based on specific criteria determined by the Board from time to time.
- 3.11 When determining whether such individuals should be designated as eligible Service Providers, the Board will consider a range of factors, including: (i) the industry experience, expertise, and reputation of the Service Provider; (ii) the nature,

materiality, and strategic value of the services provided to the Group; (iii) the length and stability of the engagement or collaborative relationship; and (iv) the actual or expected contribution of the Service Provider to the development and long-term growth of the Group.

- 3.12 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective until the termination date, after which period no further Options will be granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.13 An Eligible Participant shall ensure that any exercise of his Option under paragraph 6 is valid and complies with all laws, legislations and regulations to which he is subject. The Directors may, as a condition precedent of issuing Shares upon an exercise of an Option, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.
- 3.14 The rules of this Scheme will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of this Scheme will give the Board discretion to impose such conditions, including the performance targets or other clawback mechanism where appropriate, on the Options. The Board believes that it is not practicable to expressly set out a generic set of performance targets in this Scheme, as each Eligible Participant will play different roles and contribute in different ways to the Group, and new performance targets may be taken into account and/or imposed depending on the development of the industry segment and the macro environment. Providing the Board with more flexibility in setting the terms and conditions of the Share Options under particular circumstances of each grant will facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.
- 3.15 Saved that the clawback mechanism as stipulated in the paragraphs 7.1 to 7.5 or such other clawback mechanism as determined by the Board in the offer letter in respect of the grant of the Options, this Scheme does not prescribe any other clawback mechanism.

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

- 4.1 The period within which the Options must be exercised will be specified by the Company at the time of grant, and must expire no later than ten years from the Offer Date.
- 4.2 The company may issue new Shares and/or utilize Treasury Shares (if any) to satisfy grants of the Options under this Scheme.
- 4.3 The Board shall not make any Offer to any Eligible Person after Inside Information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information. In particular, no Option shall be granted during the period commencing 30 days immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange) for the approval of the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the

deadline for the Company to announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements. In the event of any delay in publishing a results announcement, no Option shall be granted during such period of delay.

- 4.4 An Offer shall be deemed to have been accepted by a Eligible Person concerned in respect of all Shares which are offered to such Eligible Person when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Person with the number of Shares in respect of which the Offer is accepted as 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.
- 4.5 The making of an Offer to any connected person of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

## **5. EXERCISE PRICE**

- 5.1 The amount payable for each Share to be subscribed for under an Option upon exercise shall be determined by the Board and notified to the Eligible Person at the time of offer of the Option and shall be the highest of:
- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
  - (b) the average closing prices of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
  - (c) the nominal value of the Share on the Offer Date.
- 5.2 Where a relevant Option is to be granted under sub-paragraph 8.2 or 8.3, for the purposes of sub-paragraphs 5.1(a) and 5.1(b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions of sub-paragraph 5.1 shall apply *mutatis mutandis*.

## **6. EXERCISE OF OPTIONS**

- 6.1 Subject to sub-paragraph 6.2, Options are personal to the Option holders and are not transferable, except for the transmission of an Option on the death of an Option holder to his personal representative(s) on the terms of this Scheme. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.
- 6.2 The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of this Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed.

- 6.3 Subject to sub-paragraph 15.8, an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in this sub-paragraph 6.3 or sub-paragraph 6.6 (as the case may be) by the Grantee (or, as the case may be, his 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 so exercised. Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors' or independent financial adviser's certificate pursuant to paragraph 9, the Company shall accordingly allot and issue or transfer out of treasury the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a personal representative pursuant to sub-paragraph 6.6(a), to the estate of the Grantee) credited as fully paid and instruct the Share Registrar to issue or transfer out of treasury to the Grantee (or his estate in the event of an exercise by his personal representative(s) as aforesaid) a share certificate for the Shares so allotted.
- 6.4 Save for the circumstances prescribed in sub-paragraph 6.5, an Option must be held by the Grantee for at least twelve (12) months (the "**Vesting Period**") before the Option can be exercised.
- 6.5 The Board may at its discretion grant a shorter Vesting Period to an Eligible Person in the following circumstances:
- (i) grants of "make-whole" Options to new Employee Participants to replace the share awards or Options they forfeited when leaving the previous employer;
  - (ii) grants to an Employee Participant whose employment is terminated due to disability, death, retirement or occurrence of any uncontrollable event;
  - (iii) grants that are made in batches during a year for administrative and compliance reasons for delay, these Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batches. In such case, the vesting period may be shorter to reflect the time from which the Options would have been granted;
  - (iv) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; or
  - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria.
- 6.6 Subject as hereinafter provided, an Option may (and may only) be exercised by the 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 by reason of his or her death before exercising the Option in full, any unvested Options shall lapse on the date of death. In case the Grantee has some Options that have been vested, and where the Grantee is an employee or a director of the Group, none of the events which would be a ground for termination of his or her employment or directorship under sub-paragraph 6.6(c)(ii) arises, his or

her personal representative(s) may exercise the vested Options (to the extent not already exercised) in whole or in part in accordance with the provisions of sub-paragraph 6.3 within a period of twelve (12) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the period of twelve (12) months or at the expiration of the Option Period, whichever is earlier, if any of the events referred to in sub-paragraph 6.6(e), 6.6(f) or 6.6(g) occur during such period, exercise the Option pursuant to sub-paragraphs 6.6(e), 6.6(f) or 6.6(g) respectively;

- (b) in the event of the Grantee who is an employee or a director of the Group ceasing to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of sub-paragraph 6.3 within a period of three (3) months following the date of such cessation or, if any of the events referred to in sub-paragraph 6.6(e), 6.6(f) or 6.6(g) occurs during such period, exercise the Option pursuant to sub-paragraph 6.6(e), 6.6(f) or 6.6(g) respectively. The date of cessation as aforesaid shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not;
- (c) (i) in the event of the Grantee who is an employee or a director of the Group ceasing to be an Eligible Participant for any reason other than the reasons specified in sub-paragraphs 6.6(a) and 6.6(b); or (ii) where the Grantee is an employee or a director of the Group by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option shall be returned;
- (d) in the event of the Grantee who is a Service Provider cease to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Option

(to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option shall be returned;

- (e) If a general offer (whether by way of take-over offer, share buyback 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 endeavor to procure that such offer is extended to all the Option holders (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer, having been approved or conducted in accordance with applicable laws and regulatory requirements becomes effective, or becomes or is declared unconditional, the Option holder (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) shall be entitled to exercise the vested 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;
- (f) In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court is made for the winding-up of the Company, we shall give notice thereof (winding-up notice) to all Option holders (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) on the same day as such resolution is passed or order is made. The Option holder (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) may by notice in writing to the Company within 30 days after the date of the winding-up notice elect to be treated as if the vested Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the Option holder's notice, such notice to be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice given, whereupon the Option holder (or, if applicable, the Option holder's nominee or his legal personal representative(s)) will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election; and
- (g) If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reorganization of the Company or the amalgamation of the Company with any other company or companies, the Company shall give notice thereof to all Option holders (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)), together with a notice of the existence of the provisions of this paragraph, on the same date as it despatches to each member or creditor of the Company a notice

summoning the meeting to consider such a compromise or arrangement, and thereupon each Option holder (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) shall be entitled to exercise all or any of his vested Options in whole or in part at any time prior to 12:00 noon on the day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Options holders (or, if applicable, the Option holder's nominee on the Option holder's behalf or his legal personal representative(s)) to exercise their respective vested Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all vested Options shall, to the extent that they have not been exercised, lapse and terminate. The Directors shall endeavor to procure that the Shares issued as a result of the exercise of Options under this paragraph shall for the purposes of such compromise or arrangement form part of the issued Shares 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 Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of Option holders (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of the officers of the Company for any loss or damage sustained by any Option holder (or, if applicable, the Option holder's nominee on the Option holder's behalf, or his legal personal representative(s)) as a result of the aforesaid suspension.

- 6.7 No voting rights shall be exercisable and no dividends shall be payable in respect of Options that have not been exercised. Shares to be allotted and issued or Treasury Shares to be transferred upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue (excluding Treasury Shares) on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted or transferred out of treasury upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

7. **EARLY TERMINATION OF OPTION PERIOD AND CLAWBACK**

- 7.1 An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
- (a) in relation to any unvested Options only, the date of cessation of such

Grantee's status as an Employee Participant, a Related Entity Participant or a Service Provider, which:

- in the case of an Employee Participant or a Related Entity Participant, such date of cessation shall be his last actual working day with the Company or any Related Entity, whether salary is paid in lieu of notice or not; or
- in the case of a Service Provider, such date of cessation shall be the date of expiry of the relevant fixed term contract without any extension or renewal by the Company or Related Entity, or the date of cessation as notified in writing to the Service Provider,

provided that whether any one or more of the events specified above occur in relation to a Grantee shall, in its reasonable opinion, be solely and conclusively determined by the Board;

- (b) the expiry of the period for exercise of the Option;
- (c) in the case of any takeover, scheme of compromise or arrangement or voluntary winding up, the expiry of the periods of notice as specified in the New Share Option Scheme, provided that in the case of a scheme of compromise or arrangement, the proposed compromise or arrangement becomes effective;
- (d) save as otherwise provided in paragraph 6.6(f) above, the date of commencement of the winding-up of the Company;
- (e) the date as specified by the Board referred to in paragraph 7.3; or
- (f) any breach of the provision described in paragraph 6.1 above.

For the avoidance of doubt, Options which have been granted to Grantee employee who subsequently left the Group but not yet exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.

7.2 Subject to the absolute discretion of the Board, upon the occurrence of any of the following events, no further Options shall be granted to such Grantee and the Options granted to such Grantee shall be clawed back and lapse accordingly on the date as determined by the Board (if such Options are unvested):

- (i) the Grantee has failed to perform his duties effectively or committed a serious breach or dereliction of his duties;
- (ii) the Grantee has not performed or duly performed his duties, causing the Company to suffer a material loss in terms of assets and other material adverse impact;
- (iii) the Grantee has engaged in the acceptance or solicitation of bribes, corruption, theft, leaking commercial and technological secrets of the Company, conducting related party transactions to the prejudice of the interests and reputation of the Company, and other illegal behaviors having

a material adverse impact on the image of the Company, any Related Entity or any Service Provider and has been sanctioned;

- (iv) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group, any Related Entity or any Service Provider; or
- (v) the Grantee has failed to comply with any non-compete covenants or any terms and conditions of a similar effect under their respective contract with the Group.

7.3 Options granted and vested to such Grantee but not yet exercised, shall be clawed back and lapse automatically forthwith and shall no longer be exercisable.

7.4 Options granted and vested to, and already exercised by such Grantee, shall be clawed back, and the Grantee shall return to the Company, as determined by the Board at its sole and absolute discretion, either (1) the exact number of the relevant underlying Shares in respect of such Options, or (2) the monetary amount equivalent to the value of the relevant underlying Shares of the Options.

7.5 The Options that are clawed back pursuant to the provisions of the New Share Option Scheme will be regarded as lapsed and the Options so lapsed will be regarded as unutilized for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

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

8.1 Subject to the Listing Rules,

- (a) The total number of Shares which may be issued or transferred out of treasury in respect of all Options which may be granted at any time under this Scheme shall not exceed such number of Shares as equivalent to 10% of the issued share capital (excluding Treasury Shares) of the Company as at the date of approval of this Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).
- (b) The total number of Shares which may be issued in respect of all Options which may be granted at any time under this Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 3% of the issued share capital of the Company as at the Adoption Date (the “**Service Provider Sublimit**”).
- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under this Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all options and awards to be granted under this Scheme and any other schemes of the Company under the limit as “refreshed” must not exceed 5% of the relevant

class of Shares (excluding Treasury Shares) in issue (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit (including the Service Provider Sublimit). For the purpose of seeking approval of Shareholders under this sub-paragraph 8.1(b), the Company must send a circular to its Shareholders containing the information required under the Listing Rules. Any refreshment of the Scheme Mandate Limit (including the Service Provider Sublimit) to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules. The Company may refresh the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be) (the "Scheme Mandate Limit") by ordinary resolution of the Shareholders after three years from the date of Shareholders' approval for the last refreshment (or the adoption of this Scheme, as the case may be). Any refreshment of the Scheme Mandate Limit within any three-year period must be approved by the Shareholders subject to the following provisions:

(i) any controlling Shareholders and their associates (or if there are no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

(ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that the requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded down to the nearest whole share. In no event that the maximum aggregate number of Shares which may be allotted and issued by the Company under the Scheme Mandate Limit as refreshed (the "Refreshed Mandate Limit") may exceed 10% of the Shares in issue (excluding treasury Shares) as at the date of approval of the Refreshed Mandate Limit. The Company must send a circular to its Shareholders containing the number of Options that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

(d) The Company may seek separate approval of the Shareholders in general meeting to grant options beyond the Initial Mandate Limit or the Refreshed Mandate Limit, provided that the options in excess of the Initial Mandate Limit or the Refreshed Mandate Limit shall be granted only to Eligible Participant(s) specifically identified by the Company before such approval is sought, provided that the number of and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and subject to compliance with other relevant requirements prescribed under Rule 17.03C(3) of the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the Board meeting for proposing such grant

should be taken as the Offer Date for the purpose of calculating the exercise price of such Options.

- (e) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued or transferred out of treasury in respect of all Options to be granted under this Scheme or any other share option scheme of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares (excluding Treasury Shares) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded down to the nearest whole share.

8.2 No Option may be granted to any one person such that the total number of Shares in issue and to be issued (including any transfer of Treasury Shares) upon the exercise of Options and/or awards granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the total number of Shares in issue (excluding Treasury Shares), unless the approval of the Shareholders is obtained with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

8.3 Any Options to be granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options).

8.4 Without prejudice to the generality of paragraph 8.3 above, if any Options to be granted to a substantial shareholder or independent non-executive Director of the Company, or any of their respective associates, would result in the total number of Shares in issue and to be issued upon exercise of all the Options and/or awards granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding Treasury Shares), such further grant of Options must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee of the Options) and the Shareholders in general meeting. The Company must send a circular to the Shareholders containing such information as required under Chapter 17 of the Listing Rules. The Grantee, his associates and all core connected persons of the Company shall abstain from voting in favor at such general meeting. The circular must contain:

- (1) 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 should be taken as the Offer Date for the purpose of calculating the Exercise Price;

- (2) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (3) the information as may be required by the Stock Exchange from time to time.

8.5 Shareholders' approval as required under sub-paragraph 8.3 is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates.

## **9. REORGANISATION OF CAPITAL STRUCTURE**

9.1 In the event of a capitalization issue, rights issue, consolidation or subdivision of Shares or a reduction of the share capital of the Company while any Option remains exercisable, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, the auditors or independent financial advisor engaged by the Company for such purpose shall determine what adjustment is required to be made to the exercise price, the number of Shares to be issued on exercise of the Options (or any combination of the foregoing), provided that any such adjustments are appropriate, fair and reasonable and give the Option holder the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which that person was previously entitled, and no adjustment may be made to the extent that Shares would be issued at less than their nominal value. Any adjustment made to the exercise price of and/or the number of Shares subject to Options to be granted under this Scheme will be made in compliance with Chapter 17 of the Listing Rules and any applicable guidance and/or interpretation thereof issued by the Stock Exchange from time to time.

## **10. CANCELLATION OF OPTIONS**

10.1 Any cancellation of Options granted but not exercised must be approved by the relevant Option holder thereof, unless otherwise provided for in the rules of this Scheme.

10.2 Any new Options issued in replacement of Options cancelled may only be issued under this Scheme with available Scheme Mandate Limit (and the Service Provider Sublimit, as the case may be) approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit, as the case may be).

10.3 Where the Grantee is in breach of paragraph 6.1 above, the Company is entitled to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised without paying compensation to the relevant Grantee.

## **11. SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the share capital of the Company. Subject thereto, the Directors shall make available sufficient of the then authorised but unissued share capital of the Company to allot the Shares on the exercise of any Option.

**12. DISPUTES**

Any dispute arising in connection with this Scheme (whether as to the number of Shares of an Option, the exercise price or any adjustment under sub-paragraph 9.1) shall be referred to the decision of the Auditors or 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. AMENDMENT**

13.1 This Scheme may be altered in any respect by a resolution of the Board, provided that the following shall not be carried out except with the prior approval of the Shareholders in general meeting

1. any alterations to the terms and conditions of this Scheme which are material in nature or any alterations to the provisions of this Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants;
2. any change to the authority of the Directors or the administrator of this Scheme to alter the rules of this Scheme; and
3. any alteration to the aforesaid alteration provisions.

The altered terms of this Scheme or the Options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules.

13.2 Any change to the terms of Options granted to a selected Eligible Participant shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.

**14. TERMINATION**

14.1 The Company by an ordinary resolution in general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force 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 to such 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 and (if applicable) Options that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established after such termination.

**15. MISCELLANEOUS**

15.1 This Scheme shall not form part of any contract of employment between the Company and any Eligible Participant who is the employee of the Group and the rights and obligations of any such Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate 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.

15.2 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.

15.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme.

15.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders at the same time or within a reasonable time of any such notices or documents being sent to Shareholders.

15.5 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 and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.

15.6 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.

15.7 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:

- (a) one (1) day after the date of posting, if sent by mail;
- (b) seven (7) days after the date of posting to an address in a different territory;
- (c) upon completion of transmission if sent by facsimile or other form of electric transmissions; and
- (d) when delivered, if delivered by hand.

- 15.8 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary consents and approvals that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents and approvals. Compliance with this sub-paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options.
- 15.9 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 15.10 By accepting an Offer a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 15.11 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.