

CTF Services Limited
周大福創建有限公司
(incorporated in Bermuda with limited liability)

2021 SHARE OPTION SCHEME
(Adopted on 23 November 2021
and amended on 13 January 2025 and 18 November 2025)

**RULES OF THE 2021 SHARE OPTION SCHEME OF
CTF SERVICES LIMITED
周大福創建有限公司**

1. DEFINITIONS

1.1 In these Rules, except where the context otherwise requires, the following words and expressions shall bear the following meanings:-

<u>“Acceptance Period”</u>	<u>has the meaning ascribed thereto in Rule 9.1;</u>
<u>“Affiliated Company”</u>	<u>has the meaning ascribed thereto in Rule 10.2(iv);</u>
“associate (s) ”	has the meaning ascribed thereto in the Listing Rules;
“Auditor”	the auditor of the Company as appointed from time to time;
“Companies Ordinance”	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”	CTF Services Limited 周大福創建有限公司, an exempted company incorporated under the laws of Bermuda;
“connected person (s) ”	has the meaning ascribed thereto in the Listing Rules;
<u>“core connected person(s)”</u>	<u>has the meaning ascribed thereto in the Listing Rules;</u>
“Date of Adoption”	23 November 2021, being the date of adoption of the Scheme;
<u>“Date of Amendment”</u>	<u>18 November 2025, being the date on which amendments of the Rules of the Scheme were approved by the Shareholders;</u>
“Date of Grant”	the date on which an Option is deemed to have been granted pursuant to Rule 9.19.2 ;
“Date of Offer”	the date on which an Option is offered to be granted;

“dealing day”	a day on which Shares are traded on the <u>Hong Kong</u> Stock Exchange for a minimum of three <u>(3)</u> hours and an official closing price is provided by the <u>Hong Kong</u> Stock Exchange;
“Directors”	the board of directors of the Company for the time being or a duly authorized committee thereof;
“electronic communication”	a communication sent by electronic transmission in any form through any medium;
“Eligible Employee(s)”	any director (including any executive director, non-executive director or independent non-executive director) and employee (whether full time or part time) of the Company, any Subsidiary or member of the Group, <u>or any associated company of the Company;</u>
“Eligible Participant(s)”	any person who is an Eligible Employee as set forth in Rule <u>5.25.4</u> ;
“Exercise Price”	the price per Share payable on the exercise of an Option as determined by the Directors which must be at least higher than or the highest of: (i) the closing price of the Share as stated in the <u>Hong Kong</u> Stock Exchange’s daily quotations sheet on the Date of Grant, which must be a dealing day; (ii) the average closing price of the Share as stated in the <u>Hong Kong</u> Stock Exchange’s daily quotations sheets for the five <u>(5)</u> dealing days immediately preceding the Date of Grant pursuant to Rule <u>9.19.2</u> or (where applicable) such price as from time to time adjusted pursuant to the Scheme; and (iii) the nominal value of the Share;
“Grantee”	any Eligible Participant who accepts the offer of the grant of any Option in accordance with the terms of the Scheme or (where the context so permits) a person entitled to such Option in consequence of the death of the original Grantee;
“Group”	the group of companies comprising the Company and its Subsidiaries and the expressions “Group company” and “member of the Group” shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the

People's Republic of China;

“Hong Kong Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong;

“Listing Rules”

the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange as amended from time to time;

“Option(s)”

an option to subscribe for Share(s) on terms determined by the Directors pursuant to the Scheme;

“Option Holder”

a person holding an Option;

“Option Period”

the period that an Option may be exercised as specified by the Directors (or in these Rules) for the whole or parcel(s) of Shares subject to the Option, which shall not be more than ten (10) years from the Date of Grant;

“Scheme”

this scheme in its present form or as from time to time amended in accordance with the provisions hereof;

“Scheme Mandate Limit”

has the meaning ascribed thereto in Rule 6.1;

“Scheme Period”

the period of ten (10) years commencing from the Date of Adoption;

“Secretary”

the company secretary of the Company;

“Share(s)”

a fully paid ordinary share of HK\$1.00 each in the capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of 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 sub-division, consolidation, re-classification or re-construction;

“Shareholder(s)”

holder(s) of Shares entered in the register of members of the Company;

~~“Stock Exchange”~~

~~The Stock Exchange of Hong Kong Limited;~~

“Subscription Price”	an amount equal to the Exercise Price multiplied by the relevant number of Shares;
“Subsidiary”	a subsidiary undertaking of the Company within the meaning of Schedule 1 of the Companies Ordinance or a subsidiary of the Company within the meaning of Section 86 of the Companies Act 1981 of Bermuda (as amended from time to time), whether incorporated in Hong Kong, Bermuda or elsewhere;
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong;
<u>"Treasury Share(s)"</u>	<u>the Share(s) repurchased and held by the Company in treasury (if any), as authorised by the applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction, the bye-laws of the Company and the Listing Rules; and</u>
“%”	per cent.

- 1.2 In these Rules, the singular includes the plural and the masculine includes the feminine and vice versa, headings are inserted for convenience only and reference to a Rule is to one of the Rules. In addition, reference to persons includes bodies corporate and unincorporated and partnerships.

1.3 References in the Scheme to the term “new Share(s)” shall, unless specified otherwise, include both new Shares issued, and Treasury Shares transferred, by the Company to satisfy Options granted under the Scheme, and the phrase “Share(s) that may be issued”, “Shares to be issued”, “Shares to be allotted” or similar phrases in the Scheme shall be construed to include the transfer of Treasury Shares accordingly.

2. PURPOSE OF THE SCHEME

- 2.1 The purpose of the Scheme is designed primarily as a means of rewarding performance, providing incentive, motivation or reward to Eligible Participants for optimizing their performance or making contribution to the Group; attracting and retaining persons of right caliber with the necessary experience to work for or make contribution to the Group; and fostering a sense of corporate identity and allowing the Eligible Participants to enjoy the results of the Company attained through their relationship, efforts and/or contribution.
- 2.2 Unless the Directors otherwise determined and stated in the terms of offer for the grant of the Options pursuant to Rule 5.1, no performance target is required to be achieved before any Option can be granted to the Eligible Participant(s) or exercised by the Option Holder.

3. CONDITIONS

The Scheme shall take effect subject to the following conditions:-

- 3.1 the passing of an ordinary resolution of the Shareholders in general meeting approving the adoption of the Scheme and authorizing the Directors to grant Options and to allot and issue Shares pursuant to the exercise of any Options granted under the Scheme;
- 3.2 the passing of an ordinary resolution of the shareholders of New World Development Company Limited in general meeting approving the adoption of the Scheme (Note: New World Development Company Limited was the holding company of the Company until the close of business on 17 November 2023); and
- 3.3 the Listing Committee of the Hong Kong Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the Scheme.

4. DURATION AND ADMINISTRATION

- 4.1 Subject to the fulfilment of the conditions in Rule 3 and the termination provision in Rule 16.34, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Date of Adoption, after which period no further Options will be granted but in all other respects, subject to the compliance with the provisions under the Listing Rules, the provisions of the Scheme shall remain in full force and effect and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue.
- 4.2 The Scheme shall be subject to the administration of the Directors whose decision as to all matters arising in relation to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final, conclusive and binding on all parties.
- 4.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the Scheme, the Directors shall have the right in their absolute discretion (i) to interpret and construe the provisions of the Scheme; (ii) to determine the persons who will be granted Options under the Scheme, the number of Shares to be issued under the Option and the Exercise Price; (iii) to make such appropriate and equitable adjustments to the terms of Options granted under the Scheme as it deems necessary; and (iv) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Scheme. The Directors may also provide restrictions on the exercise of an Option during the period an Option may be exercised.
- 4.4 The administration and operation of the Scheme shall be subject to the compliance of the requirements under the Listing Rules and laws and regulations that are applicable to the Company and/or the Scheme.

5. GRANT OF OPTIONS

- 5.1 Subject to the fulfilment of the conditions set forth in Rule 3, the Directors may during the Scheme Period at their absolute discretion and based on the consideration of matters that they consider relevant, desirable or necessary, and subject to such conditions as they may think fit and the restrictions herein contained, offer to an Eligible Participant an Option to subscribe for such number of Shares as they may determine at the Exercise Price during the Option Period. ~~The~~Subject to the compliance with the Listing Rules, ~~the~~ Directors may in their absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set out in the Scheme as the Directors may think fit including (without prejudice to the generality to the foregoing) continuing eligibility criteria, vesting period, conditions, restrictions or limitation relating to the achievement of performance, operating or financial targets by the Company and/or the Grantee, the satisfactory performance or maintenance by the Grantee of certain conditions or obligations of the time or period when the right to exercise the Option in respect of all or some of the Shares shall vest.

5.2 In selecting an Eligible Participant, the Directors shall take into account factors including (i) previous and continuous contributions to the business development and operations of the Group; (ii) knowledge, skill, experience and other personal attributes; and (iii) roles and responsibilities.

5.3 Subject to Rules 12.1 to 12.3, the vesting of an Option shall be subject to a vesting period of not less than twelve (12) months from the date of acceptance of an Option, provided that the Directors (or the remuneration committee of the Company where the arrangements relate to grants of Options to the Directors and/or member(s) of senior management of the Company) shall have the discretion to determine a shorter vesting period under the following specific circumstances for any Eligible Participant who is not a director or employee of any associated company of the Company:

(i) grants of “make-whole” Options to new Eligible Employees to replace share options or share awards such Eligible Employees forfeited when leaving their previous employers;

(ii) grants of Options to Eligible Employees whose employment is terminated due to death or disability or occurrence of any out of control event;

(iii) grants of Options with performance-based vesting conditions provided pursuant to the Scheme in lieu of time-based vesting criteria;

(iv) grants of Options that are made in batches during a year for administrative or compliance requirements, in which case the relevant vesting period may be shortened to reflect the time from which the Options would have been granted;

(v) grants of Options with a mixed or accelerated vesting schedule such as where the Options vest evenly over a period of twelve (12) months; or

(vi) grants of Options with a total vesting and holding period of more than twelve (12) months, such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months thereafter.

5.24 For the purposes of the Scheme, an Eligible Participant is any person who is an Eligible Employee.

5.35 For the purposes of the Scheme, an offer for grant of any Option may, subject to compliance with the Listing Rules and (where required) the obtaining of a consent or waiver from the Hong Kong Stock Exchange, be made to any company wholly owned by one or more Eligible Participants.

6. NUMBER OF SHARES FOR WHICH OPTIONS MAY BE GRANTED

- 6.1 The total number of new Shares which may be issued upon exercise of all Options and other options and awards to be granted under the Scheme and any other share schemes of the Company must not in aggregate exceed 10% of the ordinary share capital of the Company in issue (excluding Treasury Shares) as at the Date of ~~Adoption~~Amendment (the “10%Scheme Mandate Limit”), unless otherwise permitted by the Listing Rules or the Company obtains the requisite approvals to refresh the 10%Scheme Mandate Limit in accordance with Rule 6.2. Options or awards lapsed in accordance with the terms of the Scheme ~~and/or~~ any other share schemes ~~will of the Company shall~~ not be ~~counted~~regarded as utilized for the purpose of calculating the 10% Limit.Scheme Mandate Limit. Options or awards cancelled in accordance with the terms of the Scheme and any other share schemes of the Company will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.
- 6.2 The Company may seek approval by the Shareholders in general meeting (and other approval(s) as required under the Listing Rules) for “refreshing” the 10%Scheme Mandate Limit under the Scheme and any other share schemes of the Company and shall comply with the requirements under rule 17.03C(1) of the Listing Rules (as applicable). However, the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other share schemes of the Company under the limit as “refreshed” must not exceed 10% of the ordinary share capital of the Company in issue (excluding Treasury Shares) as at the date of approval of the “refreshed” limit. Options previously granted under the Scheme and any other share schemes of the Company, including those outstanding, cancelled, lapsed or exercised options in accordance with the Scheme and any other share schemes of the Company will not be counted for the purpose of calculating the limit as “refreshed”. The Company shall send a circular to the Shareholders containing the information required for such refreshment under ~~rule 17.02(2)(d)~~Chapter 17 of the Listing Rules.
- 6.3 The Company may seek separate approval by the Shareholders in general meeting (and other approval(s) as required under the Listing Rules) granting Options beyond the 10%Scheme Mandate Limit provided the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing ~~a generic description of the~~the name of each specified participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to the specified Eligible Participants shall be fixed before being approved by the Shareholders in general meeting.
- 6.4 ~~The limit on the~~Where the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or any subsequent “refreshed” limit has been approved by the Shareholders in the requisite general meeting, the maximum number of Shares ~~which that~~ may be issued ~~upon exercise~~in respect of all ~~outstanding~~ Options granted ~~and~~

~~yet to be exercised~~ under the Scheme ~~and any~~ other share schemes of the Company ~~must not exceed 30% of the ordinary share capital of the Company in issue from time to time. No Option will be granted under any schemes of the Company if this will result in the limit being exceeded 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.~~

7. GRANTING OF OPTIONS TO CONNECTED PERSONS

7.1 Notwithstanding any provision in the bye-laws of the Company, each grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Option).

7.2 Notwithstanding any provision in the bye-laws of the Company, for any grant of Options to an independent non-executive Director of the Company who is the grantee of the Options, such independent non-executive Director must abstain from voting for approving such grant and that the consent for giving such grant from the other independent non-executive Director(s) of the Company under the resolution of the Directors must also be obtained.

7.3 Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, will result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding, but excluding any Options lapsed in accordance with the terms of the Scheme or any other share schemes of the Company) to such person in the 12-month period up to and including the date of such grant:

(a) — represent in aggregate over 0.1% of the ~~total number~~ordinary Sshares capital of the Company in issue (excluding Treasury Shares) at the date of such grant; ~~and~~

~~and~~ (b) — ~~have an aggregate value, based on the closing price of the Shares as at the date of such grant, in excess of HK\$5 million;~~

such further grant of Options must be approved by the Shareholders in general meeting and must obtain other approval(s) as required under the Listing Rules. In such a case, the Company shall send a circular to the Shareholders. The grantee, his associates and all core connected persons ~~of the Company~~ (each as defined in the Listing Rules) of the Company must abstain from voting at such general meetings, except that any connected person (as defined in the Listing Rules) may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken in the meeting to approve the grant of Options must be taken on a poll. The circular must contain:

- (4i) details of the number and terms (including the Exercise Price) of the Options to be granted to each such person, which must be fixed before the general meeting of the Company and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price;
- (2ii) ~~a recommendation from the~~ the views of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed grantee of the Options) 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;
- (3iii) the information required under rules 17.02(2)(c) of the Listing Rules; and
- (4iv) the information required under rule 2.17 of the Listing Rules.

7.4 Any change in the terms of Options granted to an Option Holder who is a Director, chief executive of the Company, substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates must be approved by the Shareholders in general meeting- if the initial grant of the Options required such Shareholders' approval. The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

8. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

8.1 Unless approved by the Shareholders in general meeting and other approval(s) as required under the Listing Rules are obtained, and subject to the requirements in Rule 7, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the ordinary share capital of the Company in issue (excluding Treasury Shares).

8.2 Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to that Eligible Participant (including exercised, cancelled and outstanding Options, but excluding any Options lapsed in accordance with the terms of the Scheme or any other share schemes of the Company) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the ordinary share capital of the Company in issue (excluding Treasury Shares), such further grant must be separately approved by the Shareholders in general meeting with that Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting and must obtain other approval(s) as required under the Listing Rules. In such event, for the purpose of the general meeting of the Company, the Company must send a circular to the Shareholders and the circular must disclose the

identity of such Eligible Participant, the number and terms of the ~~e~~Options to be granted (and ~~e~~Options previously granted to such Eligible Participant) in the 12-month period), the purpose of granting the Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before approval of the Shareholders and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

9. ACCEPTANCE OF OFFERS OF OPTIONS

- 9.1 An offer of the grant of an Option shall be made to an Eligible Participant by letter in such form as the Directors may from time to time determine, specifying (inter alia) the matters set forth in Rule 9.5, and shall be open for acceptance in writing received by the Secretary or the Directors at the principal place of business of the Company for the time being in Hong Kong for a period of fourteen (14) days from the Date of Offer (the “**Acceptance Period**”) provided that no such offer shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.
- 9.2 An Option shall be deemed to have been granted and accepted on the Date of Offer provided that acceptance of such offer is received by the Company within the Acceptance Period together with a remittance in favour of the Company of HK\$10 by way of consideration for the grant thereof are received by the Company within the Acceptance Period. Such remittance shall in no circumstances be refundable. The Company shall within ten (10) days after closing of the Acceptance Period issue a formal written notification to such Eligible Participant to confirm his/~~her~~ entitlement to the Options in such form as the Directors may from time to time determine.
- 9.3 Any offers of the grant of Options not accepted within the Acceptance Period shall lapse.
- 9.4 An Option shall be personal to the Option Holder and shall not be assignable nor transferable, and no Option ~~h~~Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any party over or in relation to any Option or attempt to do so), save that, subject to the grant of waiver by the Hong Kong Stock Exchange, the Option Holder may have the Shares to be issued on the exercise of his Option to be registered in the name of a nominee holding in trust for him. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option, or any part thereof, granted to such Option ~~h~~Holder.
- 9.5 An offer for the grant of an Option shall state (i) the name, address and position of the Eligible Participant; (ii) the number of Shares in respect of the Option and the Exercise Price for such Shares; (iii) the Option Period(s) in respect of the whole or separate parcels of Shares comprised in the offer; (iv) the performance target (if any) that must be attained by the Eligible Participant before the Option can be exercised; (v) such other

terms and conditions of the offer as may be imposed by the Directors as are not inconsistent with the Scheme; and (vi) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is granted and to be bound by the provisions of the Scheme.

10. **RIGHTS OF EXERCISE AND CLAWBACK**

10.1 Subject to the following paragraphs of the Scheme, an Option may be exercised by an Option Holder in accordance with the terms of the grant and the Scheme at such time and for such portion of the Shares granted under the relevant Option as the Directors shall in their absolute discretion see fit during the Option Period commencing on the Date of Grant and notwithstanding that the Scheme Period may have expired. However, in any event the Options must be exercised within ten (10) years from the Date of Grant. ~~Unless otherwise determined by the Directors and stated in the terms of the grant in respect of the Options, there is no minimum period for which an Option must be held before it can be exercised.~~

10.2 If an Option Holder, being an Eligible Employee, ceases to be an Eligible Employee under any of the following circumstances:-

(i) *On ill-health, disability, death or retirement of an Eligible Employee (all evidenced to the satisfaction of the Directors)*

in the event that the employment of an Eligible Employee is terminated by reason of ill-health, disability (all evidenced to the satisfaction of the Directors), death or retirement in accordance with the retirement policy of the relevant member of the Group or as adopted by the Company from time to time (if any), he or (as the case may be) his personal representative (s) may exercise all ~~his~~the Options ~~(granted to such Eligible Employee, to the extent which has become exercisable and not already exercised)~~vested before termination of employment, within a period being the earlier of (I) the expiration of six (6) months after following the date of such termination of employment or (II) the expiration of the relevant Option Period. Any Options not so exercised granted to such Eligible Employee, to the extent not vested at the time of termination of employment, shall lapse and determine at the end of the said period immediately on the date of such termination of employment;

(ii) *On voluntary termination by an Eligible Employee*

in the event that the employment of an Eligible Employee is terminated by him voluntarily for reasons other than ill-health, disability, death or retirement in accordance with the retirement policy of the relevant member of the Group or as adopted by the Company from time to time (if any), ~~all his(a)~~ Options granted to such Eligible Employee, to the extent vested before termination of employment shall lapse and determine on the earlier of (I) the 30th day

following the date of such termination of employment; or (II) the expiration of the relevant Option Period; and (b) Options granted to such Eligible Employee, to the extent not vested at the time of termination of employment shall lapse immediately on the date of such termination of employment;

- (iii) *On cessation of an Eligible Employee's employing company being a member of the Group or an associated company of the Company*

in the event that the Eligible Employee's employing company ceases to be a member of the Group or an associated company of the Company, (a) Options granted to such Eligible Employee, to the extent vested at the time his employing company ceases to be a member of the Group, ~~shall be exercisable within a period being~~ or an associated company of the Company (as the case may be), shall lapse and determine on the earlier of (I) the expiration of six (6) months after following the date his employing company ceases to be a member of the Group or an associated company of the Company (as the case may be) or (II) the expiration of the relevant Option Period; and (b) Options granted to such Eligible Employee, to the extent not vested at the time of his employing company ceases to be a member of the Group or an associated company of the Company (as the case may be), shall lapse upon his employing company ceasing to be a member of the Group or an associated company of the Company (as the case may be), unless the cessation is due to a transfer of employment to an Affiliated Company (as defined below) in which case Rule 10.2(iv) shall apply;

- (iv) *On transfer of employment to affiliated company*

in the event that the employment of an Eligible Employee is terminated by reason of his transfer of employment to ~~an affiliate company (including the Company's holding companies and/or their respective subsidiaries, jointly controlled entities~~ and associated companies (excluding any member(s) of the Group or associated company(ies) of the Company) (each an "**Affiliated Company**"), (a) Options granted to such Eligible Employee, to the extent vested at the time of his transfer of employment to the Affiliated Company, shall ~~be exercisable within a period being~~ lapse and determine on the earlier of (I) the expiration of six (6) months after following the date of his said transfer of employment or (II) the expiration of the relevant Option Period; and (b) Options granted to such Eligible Employee, to the extent not vested at the time of his transfer of employment to the Affiliated Company, shall lapse upon his said transfer of employment;

- (v) *Termination for cause*

in the event that the employment of an Eligible Employee is terminated by reason of the Eligible Employee's misconduct justifying summary dismissal (i.e. termination without notice or payment in lieu of notice), all outstanding Options granted (whether vested or not vested) to such Eligible Employee shall

lapse upon the termination of employment;

(vi) *Termination other than for cause*

in the event that the Eligible Employee ceases to be an Eligible Employee or whose employment is terminated, for any reason other than for the circumstances provided in Rules 10.2(i) to (v) above, (a) Options granted to such Eligible Employee, to the extent vested at the time of termination of employment, shall lapse and determine on the earlier of (I) the 30th day after following the date of such termination of employment or (II) the expiration of the relevant Option Period; and (b) Options granted to such Eligible Employee, to the extent not vested at the time of termination of employment, shall lapse upon the immediately on the date of such termination of employment,

provided that in any of the above cases, the Directors may in their absolute discretion otherwise determine and/or may impose such conditions or limitations as the Directors may reasonably consider appropriate.

10.3 In relation to an Option Holder not being an Eligible Employee, all Options held by such Option Holder (to the extent not already exercised) shall forthwith lapse if the Directors shall at any time in their absolute discretion determine that (i) such Option Holder or his associate has committed any breach of any contract entered into between such Option Holder or his associate on the one part and any member of the Group on the other part or that such Option Holder has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) all Options held by that Option Holder shall lapse. A resolution of the Directors to the effect that any event herein stated leading to the lapse of Options has occurred shall be conclusive.

10.4 Notwithstanding anything in the Scheme to the contrary, the Option Period shall not be extended beyond ten (10) years from the Date of Grant, and on expiry of the Option Period all rights in respect of an Option shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its duties under the Scheme in relation to such exercise. No Option may be exercised after the expiry of the Option Period.

10.5 Save for as set out above in this Rule 10, unless at their absolute discretion, there is no clawback mechanism under the Scheme to recover or withhold any Options granted to any Eligible Employee. The Options that are clawed back pursuant to this Rule 10 shall be regarded as lapsed and the Options so lapsed shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

11. CANCELLATION AND RE-GRANT OF OPTIONS

- 11.1 Options granted but not exercised may be cancelled if the Eligible Participant so agrees and new Options may only be made to the same Eligible Participant with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in Rule 6. The Options so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.
- 11.2 The Directors may also, at any time in their absolute discretion, cancel any Option granted but not exercised. Where the Directors cancel any Options and make an offer of the grant of new Options to the same Option Holder, the offer may only be made with available unissued Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in Rule 6. The Options so cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

12. TAKEOVER OFFERS, LIQUIDATION AND RECONSTRUCTION

- 12.1 If, in consequence of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control (as defined in the Takeovers Code or applicable laws) of the Company, then the Directors shall as soon as practicable thereafter notify every Option Holder accordingly and each Option Holder shall, subject to Rule 10.4, be entitled at any time within the period of six (6) months after such control has been obtained to exercise any Option (whether vested or not vested) in whole or in part, and to the extent that it has not been so exercised, any Option shall upon the expiry of such period cease and determine PROVIDED THAT if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares pursuant to Sections 102 or 103 of the Companies Act 1981 of Bermuda (as amended from time to time) and gives notice in writing to any holders of Shares that he intends to exercise such rights, the Options shall, subject to Rule 10.4, be and remain exercisable until fourteen (14) days from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine or such person could provide for cancellation of all Options and payment of an appropriate see-through price as determined based on the Takeovers Code and applicable laws and by reference to the Exercise Price and the offer price under such general offer.
- 12.2 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Option (whether vested or not vested) shall, subject to Rule 10.4, be exercisable by every Option Holder in whole or in part (but so that any exercise hereunder shall only be valid if, at the time of such resolution being passed, the Option shall not have ceased and determined in accordance with the foregoing provisions of the Scheme) at any time thereafter until the resolution is duly passed or defeated or the general meeting concluded or adjourned sine die, whichever shall first occur. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine.

12.3 If under Section 99 of the Companies Act 1981 of Bermuda (as amended from time to time) a scheme of arrangement is proposed between the Company and its members, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice which is sent to each member of the Company convening the meeting to consider the scheme of arrangement, and thereupon each Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of fourteen (14) days from such date be entitled to exercise his Option (whether vested or not vested), but the exercise of an Option as aforesaid shall be conditional upon the scheme of arrangement being sanctioned by the Court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised under this Rule. The Shares issued pursuant to the exercise of Options may be subject to such a scheme of arrangement or the Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Option Holder in the same position as nearly as may be as would have been the case had such Shares been subject to such scheme of arrangement.

12.4 Provided that, if the period for the exercise of an Option provided in Rules 12.1 to 12.3 above is shorter than twelve (12) months from the date of its acceptance, unless such shorter period was determined pursuant to Rule 5.3, the Directors shall not permit the shortening of the vesting period to the period prescribed in Rules 12.1 to 12.3 unless a relevant consent or approval from the Hong Kong Stock Exchange has been obtained to permit such shortening of the vesting period or it is otherwise permitted under the Listing Rules.

12.45 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date the name of the Option Holder is registered in the register of members of the Company, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer, and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distribution paid or made after the date when the name of the Option Holder is entered into the register of members of the Company other than any dividend or distribution to be paid or made if the record date therefor shall be before the date the name of the Option Holder is registered in the register of members.

12.6 Provided always that when the date of exercise of the Option falls on a date upon when the register of members is closed then the exercise of the Option shall become effective on the first business date in Hong Kong on which the register of members of the Company is re-opened.

13. EXERCISE OF OPTIONS

13.1 In order for exercise of an Option to be effective, the Secretary of the Company must,

prior to the expiry of the Option Period, have received:-

- (i) a written notice (which may be endorsed on the Option certificates) exercising the Option in accordance with Rule 10.1, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is being exercised;
- (ii) Option certificates (if applicable) sufficient to cover the number of Shares in respect of which the Option is being exercised; and
- (iii) payment in full of the Subscription Price for the Shares in respect of which the notice is given.

Unless otherwise agreed between the Company and the Option Holder (or the Option Holder's representative as the case may be), Shares in respect of an Option shall be issued to the Option Holder and/or his nominee within thirty (30) days of the date upon which exercise of an Option becomes effective (being the date of such receipt).

- 13.2 An Option can be exercised in whole or in part provided it is exercised in respect of a board lot for dealing in Shares on the Hong Kong Stock Exchange or an integral multiple thereof.
- 13.3 Notwithstanding the provision in Rule 13.1 above, the Directors may exercise their discretion to appoint any administrator or agent to handle the process for the exercise of Options. The relevant appointment and the process for exercise of Options to be handled by such administrator or agent will be informed to the Option Holder.
- 13.4 All allotments and issues of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in Bermuda, Hong Kong or elsewhere and it shall be the responsibility of the Option Holder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent. The Company shall not be responsible for any failure by an Option Holder to obtain any such consent or for any tax or other liability to which an Option Holder may become subject as a result of the Option Holder's participation in the Scheme or the exercise of any Option.
- 13.5 The Shares to be issued upon the exercise of an Option will be subject to all the provisions of the Company's Bye-laws for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of issue and accordingly will entitle the holders to have the same rights on voting and transfer as well as the rights to participate in all dividends and other distributions paid or made on or after the date of issue 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 date of issue.
- 13.6 If the number of Shares, to which certificates lodged under Rule 13.1 above relate,

exceeds the number of Shares comprised in the notice of exercise thereof, the Company shall provide a certificate in relation to the balance to the person or persons lodging the same.

- 13.7 The Company shall use all reasonable endeavours to procure that Shares to be issued upon the exercise of an Option shall, upon the issue thereof (or as soon thereafter as reasonably practicable), become listed on those stock exchanges upon which Shares already in issue are listed.

14. ADJUSTMENTS

- 14.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves (whether by way of a bonus issue or otherwise), rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such appropriate adjustments (if any) shall be made in:

- (i) the Exercise Price; and/or
- (ii) the number of Option so far as unexercised,

in such manner as the Directors (having received a confirmation in writing from the Auditors or an independent financial adviser to the Company (as the case may be), acting as experts and not as arbitrators, that in their opinion the adjustments proposed are fair and reasonable and satisfy the requirements set out in rule 17.03(13) of the Listing Rules and the note thereto), except in the case of a capitalization issue where no such confirmation from the Auditors or an independent financial adviser to the Company (as the case may be) shall be required unless otherwise expressly required by the Directors) may deem appropriate provided always that:

- (a) no increase shall be made in the aggregate ~~s~~Subscription ~~p~~Price relating to any Option;
- (b) the proportion of the issued share capital of the Company to which an Option Holder is entitled after any adjustment shall remain materially the same as that to which he was previously entitled prior to such adjustment;
- (c) no adjustments shall be made which will enable a Share to be issued at less than its nominal value;
- (d) any adjustment so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Hong Kong Stock Exchange;

- (e) no adjustments shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party; and
- (f) no adjustments to the ~~e~~Exercise ~~p~~Price or number of ~~s~~Shares should be made to the advantage of the Eligible Participants without specific prior Shareholders' approval.

14.2 Notice of any such adjustment shall be given to the Option Holders by the Company, which may, but need not, call in Option certificates for endorsement or replacement. The costs of the Auditor or the independent financial adviser to the Company (as the case may be) shall be borne by the Company.

15. ADMINISTRATION

- 15.1 Notices or documents required to be given to an Eligible Participant or to an Option Holder shall be sent to him (i) by hand or by post at his last known address or by facsimile or other form of electronic communication to any facsimile number or electronic address supplied by him according to the records of the Company or his employing company, (ii) if sent by post, be deemed to have been given (a) on the second day following the date of posting if the address is in Hong Kong and (b) on the seventh day following the date of posting if the address is out of Hong Kong, and in case of sending by fax on the same day, and (iii) if sent by electronic communication, be deemed to have been given on the day on which it is transmitted from the server of the Company or its agent.
- 15.2 Option Holders shall be entitled to receive copies of all notices and documents sent by the Company to the Shareholders generally.
- 15.3 The Company shall at all times keep available for allotment enough unissued Shares of the Company to satisfy all Options.
- 15.4 The decision of the Directors in any disputes relating to an Option or matter relating to the Scheme shall be final and conclusive, subject to the prior receipt of a statement in writing from the Auditors when so required by Rule 14.
- 15.5 The costs of introducing and administering the Scheme shall be borne by the Company.
- 15.6 The Directors shall have power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with these Rules.
- 15.7 The Scheme shall not form part of any contract of employment between the Company, any Subsidiary or any member of the Group and any Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have

to participate in it and the Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

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

16. VARIATIONS AND TERMINATION

- 16.1 Any alterations to the terms and conditions of the Scheme which are of a material nature shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Scheme. Save with the prior approval of the Shareholders in general meeting and the obtaining of other approval(s) as required under the Listing Rules, no alteration shall be made to (i) the provisions relating to the matters contained in Chapter 17 of the Listing Rules; (ii) the authority of the Directors or the administrators of the Scheme in relation to any alteration to the terms of the Scheme; or (iii) the provisions relating to the matters set out in ~~R~~rule 17.03 of the Listing Rules which will be to the advantage of the Eligible Participants. Subject to the aforesaid, the Directors may from time to time in their absolute discretion waive or amend such of the Rules of the Scheme as they deem desirable by resolution of the Directors.

- 16.2 No amendments to the Scheme shall be made which would have the effect of materially abrogating or altering materially and adversely any of the subsisting rights of Option Holders with respect to Options granted except with the consent on their part.

16.3 Any change to the terms of the Options granted to an Option Holder must be approved by the Directors, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Directors, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be). The foregoing requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

- ~~16.34~~ The Company by resolution in general meeting may terminate the Scheme at any time, and in such event no further Options will be offered but in all other respects the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

- ~~16.45~~ In no circumstances shall a person ceasing to be an Eligible Participant for any reason be entitled to any compensation or damages for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any

Options then held by him or otherwise in connection with the Scheme.

16.~~56~~ The terms of the Scheme and/or any Options amended pursuant to this Rule 16 must continue to comply with the applicable requirements of the Listing Rules.

16.~~67~~ The Company must provide to all Option Holders all details relating to the change of the terms of the Scheme immediately upon such changes taking effect.

17. RESTRICTIONS ON GRANT OF OPTIONS

No grant of Options shall be made to any Eligible Participant:

- (a) after an inside information has come to the knowledge of an Eligible Participant until (and including) the dealing day after such ~~price sensitive~~inside information has been published in accordance with the Listing Rules and applicable laws;
- (b) on any day on which financial results of the Company are published and:
 - (i) during the period of sixty (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
 - (ii) during the period of thirty (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,
- (c) in any circumstances which are restricted or prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

18. GOVERNING LAW

The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Bermuda.