

Zhonggan Communication (Group) Holdings Limited

中贛通信(集團)控股有限公司

SHARE OPTION SCHEME

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Zhonggan Communication Group Limited
中贛通信集團有限公司
(incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

1. DEFINITIONS

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

“ 1% Individual Limit ”	shall have the meaning referred to it in paragraph 10.7;
“ Adoption Date ”	17 June 2024 (i.e. the date on which this Scheme is conditionally adopted by the Shareholders by way of written resolutions);
“ associate(s) ”	has the meanings ascribed to it under the Listing Rules and “associates” shall be construed accordingly;
“ Articles of Association ”	the amended and restated articles of association of the Company conditionally adopted by the Shareholders to take effect upon the Listing Date, as amended from time to time
“ Auditors ”	the auditors of the Company for the time being;
“ Board ”	the board of Directors or a duly authorized committee thereof;
“ business day ”	any day on which the Stock Exchange is open for the business of dealing in securities;
“ chief executive ”	has the meanings ascribed to it under the Listing Rules;
“ connected person ”	has the meanings ascribed to it under the Listing Rules;
“ Company ”	Zhonggan Communication (Group) Holdings Limited (中贛通信(集團)控股有限公司), a limited liability company incorporated in the Cayman Islands;
“ Cayman Islands Companies Act ”	the Companies, as amended, supplemented or otherwise modified from time to time, of the Cayman Islands;
“ Director(s) ”	director(s) of the Company;

“Eligible Participants”	Employee Participants, Related Entity Participants and Service Providers;	Rule 17.03(2) Rule 17.03A(1)
“Employee Participants”	has the meaning referred to it under paragraph 4.1 and “Employee Participants” shall be construed accordingly;	
“Financial Adviser”	an independent financial adviser appointed by the Company;	
“Grantee”	any Eligible Participant (or where the context so permits, his Legal Personal Representative(s)) who accepts the Offer of the grant of any Option in accordance with the terms of this Scheme;	
“Group”	the Company and its subsidiaries;	
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;	
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;	
“Listing Date”	the date on which the dealings in the Shares on the Stock Exchange first commence;	
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;	
“Offer”	an offer of the grant of an Option made in accordance with Paragraph 6;	
“Offer Date”	the date on which an Option is offered to an Eligible Participant;	
“Option”	an option to subscribe for Shares granted and accepted pursuant to this Scheme and for the time being subsisting and “Options” shall be construed accordingly;	
“Option Period”	in respect of any particular Option, the period for the exercise of an Option to be determined by the Board	Rule 17.03(5)

	(in its absolute discretion) to the Grantee at the time of making an Offer, but in any event shall not exceed 10 years from the date of grant of the Option but subject to the provisions for early termination thereof contained in paragraph 14;	
“Legal Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option;	
“Related Entity Participant”	has the meaning referred to it under paragraph 4.1 and “Related Entity Participants” shall be construed accordingly;	Rule 17.03(2) Rule 17.03A(1)
“Scheme Mandate Limit”	has the meaning set out in paragraph 10.1;	
“Service Provider”	has the meaning referred to it under paragraph 4.1 and “Service Providers” shall be construed accordingly;	Rule 17.03(2) Rule 17.03A(1) Rule 17.03A(2)
“Service Provider Sublimit”	has the meaning set out in paragraph 10.2;	
“Scheme”	this share option scheme in its present form or as amended in accordance with the provisions hereof;	
“Scheme Period”	means the period commencing on the Listing Date and expiring on the earlier of the Termination Date or the date on which this Scheme is terminated pursuant to paragraph 14;	Rule 17.03(11)
“Share(s)”	the ordinary share(s) in the share capital of the Company;	
“Share Scheme(s)”	share option schemes and/or share award schemes involving grant of new Shares or options over new Shares by the Company from time to time;	
“Shareholder(s)”	holder(s) of the Shares from time to time;	
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;	
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in paragraph 8;	

“substantial shareholder”	has the meanings ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers;
“Termination Date”	close of business of the Company on the business date immediately preceding the tenth anniversary of the Listing Date;
“Underwriters”	the underwriters named in the Underwriting Agreements; and
“Underwriting Agreements”	Hong Kong Public Offer Underwriting Agreement and International Placing Underwriting Agreement, entered into between, among others, the Company and the underwriters named therein, in relation to the listing of the Shares on the Stock Exchange.

1.2 In this Scheme, save where the context otherwise requires:

- (i) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (ii) references to paragraph or paragraphs are references to paragraph or paragraphs hereof;
- (iii) words importing the singular include the plural and vice versa;
- (iv) words importing one gender include both genders and the neuter and vice versa;
- (v) references to persons include bodies corporate and unincorporated;
- (vi) 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
- (vii) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. CONDITIONS

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

- (a) the passing of the necessary resolutions by the Shareholders in general meeting to approve and adopt the rules of this Scheme; and
- (b) the Stock Exchange granting the approval for the listing of and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options to be granted under this Scheme;
- (c) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver(s) of any such condition(s) by the Overall Coordinator (on behalf of the Underwriters)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise; and
- (d) the commencement of dealings in the Shares on the Stock Exchange.

2.2 If the conditions referred to in paragraph 2.1 are not satisfied within six(6) calendar months after the Adoption Date:

- (a) this Scheme shall forthwith determine;
- (b) any Option granted or agreed to be granted pursuant to this Scheme and any offer of such grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme or any Option granted thereunder.

2.3 Reference in paragraph 2.1 to 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.

3. PURPOSES

3.1 The purpose of this Scheme is to attract and retain the best available personnel, to provide additional incentive to the Eligible Participants for their contribution or potential contribution to the Group and to promote the success of the business of the Group.

3.2 This Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives:

- (a) motivate the Eligible Participants to optimise their performance and efficiency; and

- (b) attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

4. DETERMINATION OF ELIGIBILITY

4.1 The Board may, at its absolute discretion, offer to grant Options to any of the following classes of Eligible Participants to subscribe for such number of Shares as the Board may determine:

Rule 17.03(2)
Rule 17.03A(1)

- (a) any director or employee of any member of the Group (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies) (the “**Employee Participant**”);
- (b) any director or employee of any of the holding companies, fellow subsidiaries or associated companies of the Company (the “**Related Entity Participant**”); and
- (c) any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group (the “**Service Provider**”).

4.2 The Service Providers include but are not limited to persons (natural persons, corporate entities or otherwise) who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity.

Rule 17.03A
(1) – Notes
Rule 17.03(2)

4.3 The basis of eligibility of any of the Eligible Participants shall be determined by the Board from time to time at its absolute discretion on the basis of the Eligible Participant’s contribution or potential contribution to the Group:

- (a) in respect of an Employee Participant or a Related Entity Participant, the Board will consider all relevant factors as appropriate, including, among others, his (i) work performance; (ii) years of service and (iii) potential or actual contribution to the business of the Group; and
- (b) in respect of a Service Provider, the Board will consider his (i) contribution to the development and growth of the Group, (ii) the degree of involvement in and/or cooperation with the Group, (iii) length of business relationship with the Group and (iv) the actual or potential support, advice, efforts and contributions that he has exerted and given towards the success of the Group.

Rule 17.03A(2)

- 4.4 For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any Eligible Participants shall not, by itself, unless our Directors otherwise so determine, be construed as a grant of Option under this Scheme.

5. DURATION AND ADMINISTRATION

- 5.1 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect in all other respects 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. Options granted during the Scheme Period shall continue to be exercisable in accordance with the provisions of this Scheme and their terms of grant after the Termination Date.

Rule 17.03(11)

- 5.2 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising from or in relation to this Scheme or its interpretation or effect (save as otherwise provided herein and in the absence of manifest error) shall be final and binding on all parties.

6. GRANT OF OPTIONS

- 6.1 Subject to and in accordance with the provisions of this Scheme and requirements of the Listing Rules, the Board shall be entitled (but shall not be bound) at any time and from time to time within the Scheme Period to make an Offer to any Eligible Participant as the Board may in its absolute discretion select, in the absence of any clawback mechanism, and subject to such conditions as the Board may think fit to subscribe during the Option Period for such number of Shares as the Board may determine at the Exercise Price.

Rule 17.03(19)

- 6.2 An Offer shall be made to an Eligible Participant on a business day in writing in such form as the Board may from time to time determine specifying the number of Shares, the Exercise Price, the Option Period (including the minimum period, if any, for which the Option, or any part thereof, must be held before it, or the relevant part, can be exercised), any performance targets that must be achieved by such Eligible Participant (if applicable) and any other conditions that must be fulfilled before an Option can be exercised in respect of which the Offer is made. An Offer shall remain open for acceptance by such Eligible Participant (and by no other person, including his Legal Personal Representative(s)) for a period of seven(7) days from the Offer Date (inclusive of the Offer Date) provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the date on which this Scheme is terminated pursuant to paragraph 14.

- 6.3 (a) An Option shall be deemed to have been granted and accepted by an Eligible Participant and to have taken effect when the duplicate offer document constituting acceptance of the Option is duly signed by such Eligible Participant, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within seven(7) days from the Offer Date (inclusive of the Offer Date). Rule 17.03(8)
- (b) Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the Option, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within seven(7) days from the Offer Date (inclusive of the Offer Date).
- (c) Such remittance or payment shall in no circumstances be refundable. To the extent that the Offer is not accepted within the prescribed acceptance date, it shall be deemed to have been irrevocably declined by the Eligible Participant and the Offer shall lapse.
- 6.4 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 6.3, an Option in respect of such number of Shares so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance. If such date of acceptance shall fall on a non-business day, the business day immediately following such date of acceptance shall be taken to be the date of acceptance for the grant of such Option. The Company shall, within seven (7) business days following the receipt of such acceptance and payment, issue a certificate specifying details of the grant to the Grantee as confirmation of the grant.
- 6.5 A grant of Options may not be made after inside information has come to the knowledge of the Company until (and including) the trading day after it has been announced such inside information in accordance with the requirements of the Listing Rules and Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). In particular, no Option may be granted during the period commencing one(1) month immediately before the earlier of:- Rule 17.05
- (i) the the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (ii) the deadline on which the Company shall announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No Option may be granted during any period of delay in publishing a results announcement.

6.6 Notwithstanding paragraph 6.05, a Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

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

unless the circumstances are exceptional which has to be met the requirements of the Listing Rules.

6.7 Notwithstanding the aforesaid, any grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

Rule 17.04(1)

7. **EXERCISE PRICE**

Subject to any adjustments made in paragraph 11, the Exercise Price of a Share in respect of any particular Option granted under this Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall be at least the higher of:

Rule 17.03(9)
Rule 17.03E

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five(5) business days immediately preceding the date of grant.

8. EXERCISE OF OPTIONS

8.1 An Option and an offer to grant an Option shall be personal to the Grantee and shall not be assignable or transferable. Except for the transmission of an Option on the death of a Grantee to his Legal Personal Representative(s), no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any offer relating to the grant of an Option made to him or attempt to do so (where the Grantee is a company, any change of its major shareholder or any substantial change in its management will be deemed to be a sale or transfer of interest as aforesaid, if so determined by the Board at its sole discretion). Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any outstanding Options or any part thereof granted to such Grantee without incurring any liability on the part of the Company.

Rule 17.03(17)

8.2 Subject to paragraph 8.3, an Option may be exercised in whole or in part by the Grantee (or, as the case may be, his Legal Personal Representative(s)) and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by giving notice in writing to the Company (in such form as the Board may from time to time determine) stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price of the Shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 21 days after receipt of the notice and the remittance or payment (and where appropriate, receipt of the Auditors' certificate to the Company or confirmation of the Financial Adviser pursuant to paragraph 11), the Company shall allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his Legal Personal Representative, to the estate of the Grantee) credited as fully paid and issue to the Grantee (or his estate in the event of an exercise by his Legal Personal Representative(s) as aforesaid) certificate(s) for the Shares so allotted.

8.3 The vesting period for any Options granted to any Grantee shall not be less than twelve (12) months from the date of grant of such Options. Subject as hereinafter provided, an Option may be (may only be) exercised by the Grantee during the Option Period provided that:

Rule 17.03(6)
Rule 17.03(F)

- (a) in the event the Grantee of an Option ceases to be is an employee or director of the Company or, any of its subsidiary or associated companies before exercising the Option in full:
 - (i) by any reason other than death or termination of his employment or directorship on any ground specified in paragraph 9(e), the Grantee may

exercise the Option up to his entitlement as at the date of the cessation (to the extent not already exercised) within a period of one(1) month (or such longer period as the Board may determine) from such date of the cessation (of which date shall be his last actual working day with the relevant company whether salary is paid in lieu of notice or not) or up to the expiration of the Option Period, whichever is earlier; or

- (ii) by reason of death, the Legal Personal Representative(s) of the Grantee may exercise the Option in full (to the extent not already exercised) within a period of twelve (12) months (or such longer period as the Board may determine) from the date of the death of the Grantee 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 relevant stated period.

- (b) in the event the Grantee of an Option ceases to be an employee or director of the Company or any of its subsidiary or associated companies by reason of termination of his employment or directorship on one or more of the grounds specified in paragraph 9(e) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of the termination of his employment or directorship and not be exercisable, and to the extent the Grantee has exercised the Option in whole or in part pursuant to paragraph 8.2, but Shares have not been allotted to him on the date of termination of his employment or directorship, the Grantee shall, unless the Board determines otherwise, be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Exercise Price (without interest) for the Shares in respect of the purported exercise of such Option;
- (c) in the event 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 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 creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence, the Options (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;

- (d) in the event a general or partial offer (whether by way of takeover offer, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Grantee of an Option shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional;

- (e) in the event a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the Cayman Islands Companies Act, the Company shall give notice to all the Grantees of the Options on the same day as it gives notice of the meeting to its members and/or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company in accordance with paragraph 8.2 accompanied by a remittance or payment for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two(2) business days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof;

With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of the Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable as if such compromise or arrangement had not been proposed by the Company; and

- (f) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to all Grantees and thereupon, each Grantee (or his Legal Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two(2) business days prior to the proposed general meeting of the Company referred to above by giving

notice in writing to the Company in accordance with paragraph 8.2, accompanied by a remittance or payment for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the Grantee credited as fully paid and register the Grantee as holder thereof.

- 8.4 The Shares to be allotted and issued upon the exercise of an Option will not carry voting, dividend or other rights until completion of the registration of the Grantee as the holder thereof. Subject to the aforesaid, Shares to be allotted and issued on the exercise of Options shall be subject to the provisions of the Articles of Association and shall carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Rule 17.03(10)
Rule 17.03(15)
- 8.5 The exercise of any Options shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. No Option may be exercised in circumstances where such exercise would be in breach of a statutory or regulatory requirement.
- 8.6 There is no performance target which must be achieved by the Grantee before an Option can be exercised under the terms of this Scheme save as otherwise imposed by the Board as it thinks fit in the relevant Offer. Rule 17.03(7)

9. **LAPSE OF OPTION**

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

- (a) the expiry of the Option Period as may be determined by the Board;
- (b) the expiry of any of the periods referred to in paragraph 8.3(a), (b), (c) or (d);
- (c) subject to the compromise or arrangement as referred to in paragraph 8.3(e) becoming effective, the date on which such compromise or arrangement becomes effective;
- (d) subject to paragraph 8.3(f), the date of the commencement of the winding-up of the Company;
- (e) in the event that the Grantee ceases to be an Employee Participant or Related Entity Participant on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become

insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment/appointment at common law or pursuant to any applicable laws or under the Grantee’s service contract or appointment letter with the Group, the date of cessation of his employment/appointment with the relevant company. A resolution of the Board or the board of directors of the relevant company to the effect that the employment/appointment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the Grantee; or

- (f) the date on which the Board exercises the Company’s right to cancel, revoke or terminate the Option on the ground that the Grantee commits a breach of paragraph 8.1 in respect of that or any other Option.

10. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 10.1 Subject to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all Options to be granted under this Scheme, together with options and awards which may be issued under other Share Scheme(s) shall not in aggregate exceed 10% of the total number of Shares in issue as of the Listing Date (the “**Scheme Mandate Limit**”), being 64,000,000 Shares, unless Shareholders’ approval has been obtained pursuant to paragraphs 10.4 and 10.5. 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.
 - Rule 17.03(3)
 - Rule 17.03B(1)

- 10.2 Subject to paragraph 10.1, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme, together with the options and awards which may be issued under other Share Scheme(s) to the Service Providers shall not exceed 10% of the Scheme Mandate Limit, being 6,400,000 Shares representing 1% of the total number of Shares in issue on the Listing Date (the “**Service Provider Sublimit**”).
 - Rule 17.03B(2) - note

- 10.3 The Service Provider Sublimit was determined with reference to the potential dilution effect arising from grants to Service Providers, the actual or expected improvement of our financial performance is attributable to Service Providers and the time for using the Service Provider in the activities of the Group. Considering the fact that there is no other Share Schemes involving grant of new options over the Shares, organisational structures and that Service Providers have contributed or is expected to contribute to the long-term growth of the Company’s business, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.
 - Rule 17.03B(2)

- 10.4 The Board may, with the approval of the Shareholders in general meeting refresh the
 - Rule 17.03C(1)
 - Rule 17.03C(2)

Scheme Mandate Limit and Service Provider Sublimit after three years from the Listing Date or the date of the Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under this Scheme and any other Share Schemes as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. Refreshments of the Scheme Mandate Limit (and the Service Provider Sublimit) to be made within a three-year period must be approved by the Shareholders in a manner in compliance with Rule 17.03C of the Listing Rules.

- 10.5 The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit (and Service Provider Sublimit) provided the Options in excess of the Scheme Mandate Limit and/or Service Provider Sublimit are granted only to Eligible Participants specifically identified by the Company before such approval is sought and the Company and in compliance with Chapter 17 of the Listing Rules in force from time to time. 17.03C(3)
- 10.6 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and Service Provider Sublimit have been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the Share Schemes (including this Scheme) under the Scheme Mandate Limit or the Service Provider Sublimit 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. Rule 17.03B – Note (2)
- 10.7 The total number of Shares issued and to be issued in respect of all options and awards granted to each Eligible Participant under this Scheme and any other Share Scheme(s) (excluding options and awards that have been lapsed in accordance with the terms of the Scheme and any other Share Scheme(s)) in any 12-month period up to and including the date of such grant shall not in aggregate exceed 1% of the total number of Shares in issue (the “**1% Individual Limit**”). Rule 17.03(4)
Rule 17.03D
- Any further grant of Options an Eligible Participant in excess of the 1% Individual Limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person of the Company) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the options or awards to be granted (and those previously granted to such Eligible Participant in the 12-month period) and such other information required under the Listing Rules.
- 10.8 Where any grant of Options to an Eligible Participant who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options Rule 17.03(4)
Rule 17.04(3)

and awards granted under all Share Schemes (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) to such person in the 12-month period up to and including date of such grant representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Options must be approved by the Shareholders in general meeting. Such grantee, his associates and all core connected persons of the Company must abstain from voting on the resolution to approve such further grant of options. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

11. ALTERATION IN CAPITAL STRUCTURE

- 11.1 In the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, such corresponding adjustments (if any) shall be made in the number of Shares subject to the Option so far as unexercised, Exercise Price per Share of any outstanding Option and/or the maximum numbers of Shares in respect of which Options may be granted. The Auditors or the Financial Adviser shall confirm in writing to the Board that such adjustment satisfies the requirements of Rule 17.03(13) of the Listing Rules and the note thereto and any applicable guidance and/or interpretation of the Listing Rules issued from time to time, except where such adjustment is made on a capitalization issue. Rule 17.03(13)
- 11.2 Any adjustment made under Clause 11.1 shall be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment and the aggregate exercise price payable on full exercise of any Option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such adjustment will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction is not to be regarded as a circumstance requiring any such adjustment. Rule 17.03(13)
- 11.2 The capacity of the Auditors or the Financial Adviser in this paragraph 11 is that of experts and not of arbitrators and their certification or confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the Financial Adviser (as the case may be) shall be borne by the Company.
- 11.4 Upon any adjustment made pursuant to paragraph 11.1, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, and if the Company has not yet informed the Grantees of any necessary adjustments to be made to their Options in accordance with the confirmation of the Auditors or the Financial Adviser (as the case may be), the Company shall, upon receipt of a notice from a Grantee in accordance with

paragraph 8.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid confirmation obtained by the Company for such purpose or, if no such confirmation has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the Financial Adviser as soon as practicable thereafter to issue a written confirmation in that regard in accordance with paragraph 11.1.

12. DISPUTES

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

13. ALTERATION OF THIS SCHEME

- 13.1 This Scheme may be altered in any respect by resolution of the Board or administrator of this Scheme except that: Rule 17.03(18)
- (a) any alterations to the terms and conditions of this Scheme which are of a material nature or any change to the terms of Options granted, except where the alterations take effect automatically under the existing terms of this Scheme; Rule 17.03(18) – Note (1)
 - (b) any alterations to the advantage of the Eligible Participants or the Grantee (as the case maybe) relating to matters set out in rule 17.03 of the Listing Rules; and
 - (c) any change to the authority of the Directors or administrator of this Scheme in relation to any alteration to the terms of this Scheme, Rule 17.03(18) – Note (4)
- which shall first be approved by the Shareholders in general meeting and provided that if the proposed alteration shall adversely affect any option granted or agreed to be Granted prior to the date of alteration, such alteration shall be further subject to the Grantees' approval.
- 13.2 Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, 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 Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), save where the alterations take effect automatically under the existing terms of this Scheme. Rule 17.03(18) – Note (2)
- 13.3 Notwithstanding anything to the contrary contained in paragraph 13.1, the Board may

at any time alter or modify this Scheme in any way to the extent necessary to cause this Scheme to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any alteration to any terms of this Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

14. TERMINATION

- 14.1 This Scheme will expire automatically on the Termination Date. The Company may by resolution in general meeting or the Board may at any time terminate the operation of this Scheme before the Termination Date and in such event no further Options shall be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

Rule 17.03(16)

Options granted prior to such termination but not yet exercised at the time of the termination shall either (a) continue to be valid and exercisable in accordance with the relevant terms of the grant and the provisions of this Scheme or (b) be cancelled in accordance with paragraph 15.

- 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 or refreshment of the Scheme Mandate Limit under any existing scheme after such termination.

17.03(16) –
Note (1)

15. CANCELLATION

- 15.1 Any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options and the Board. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 8.1.

Rule 17.03(14)

- 15.2 Where the Company cancels Options and makes a new grant of Options to the same Grantee, such new grant of the Options may only be made under this Scheme with available scheme mandate within the Scheme Mandate Limit and Service Provider Sublimit.

- 15.3 Options cancelled in accordance with the terms of the Scheme will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Rule 17.03(14)
Rule 17.03B(2) –
Note (1)

16. MISCELLANEOUS

- 16.1 This Scheme shall not constitute, affect or form part of any contract of employment or appointment between the Company or any member of the Group and any Eligible

Participant nor confer upon such person any right to employment or continued employment with the Company or any member of the Group and the rights and obligations of any Participant under the terms of his office or employment or appointment 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 or appointment for any reason.

- 16.2 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.
- 16.3 No person shall, under any circumstances, hold the Board, the Company and/or other Eligible Participants liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.
- 16.4 Save for liabilities referred to in paragraph 16.6, the Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors and the Financial Advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme.
- 16.5 (a) Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong or as notified to the Grantees from time to time 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 known address in Hong Kong.
- (b) Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company. Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (i) one (1) day after the date of posting, if sent by mail;
 - (ii) seven (7) days after the date of posting to an address in a different territory;
 - (iii) upon completion of transmission if sent by facsimile or other form of electronic transmissions; and
 - (iv) when delivered, if delivered by hand.
- 16.6 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The obtaining of such consents shall be a condition precedent to

an acceptance of an Offer and an exercise of any Option by a Grantee. By accepting an Offer or exercising his Option, the Grantee is deemed to have represented to the Company that he has duly fulfilled such condition. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme the grant of an Option to him and/or the exercise of the Option by him.

- 16.8 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.
- 16.8 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 16.9 This Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of this Scheme and the Listing Rules, the Listing Rules shall prevail.