

OrbusNeich Medical Group Holdings Limited
業聚醫療集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

Conditionally approved and adopted by OrbusNeich Medical Group Holdings Limited (the “**Company**”) at a general meeting held on December 5, 2022

OrbusNeich Medical Group Holdings Limited
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(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 unless context requires otherwise:-

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company or a committee thereof duly appointed for the purpose of administering this Scheme;
“business day”	any day on which the Stock Exchange is open for the business of trading in securities;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Law”	Companies Act (2021 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time;
“Company”	OrbusNeich Medical Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	in respect of an Option, subject as mentioned in section 8.6, the date on which the Board resolves to make an Offer of that Option to the Participant, which date must be a business day;
“Global Offering”	the offering of Shares to be effected by the Company in conjunction with its application for the listing of the Shares on the Stock Exchange on the terms set out in the Prospectus;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context

	so permits) any person who is entitled in accordance with applicable laws of succession to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person;	
“Group”	the Company and its subsidiaries from time to time;	
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;	
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;	
“inside information”	has the meaning ascribed to it under the Listing Rules;	
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);	
“Offer”	the offer of the grant of an Option made in accordance with section 4.1;	
“Option”	a right granted to subscribe for Shares pursuant to this Scheme;	
“Option Period”	a period within which an Option may be exercised, which is to be determined and notified by the Board to each Grantee at the time of making an Offer, and shall not expire later than ten years from the Date of Grant;	17.03(5)
“Participants”	any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of any member of the Group;	17.03(2) 17.03A(1)
“PRC”	the People’s Republic of China;	
“Prospectus”	the prospectus of the Company to be issued on or about December 13, 2022 in connection with the Global Offering;	
“Scheme”	this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;	
“Scheme Mandate Limit”	has the meaning given to that term in section 8.1;	

“Scheme Period”	the period of ten years commencing on the date on which the last of the conditions set out in section 2.1 is fulfilled;
“Share(s)”	ordinary share(s) of US\$0.0005 each in the capital of the Company or, if there has been a subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction;
“Share Registrar”	the Hong Kong branch share registrar of the Company from time to time;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in section 5;
“subsidiary or subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“Substantial Shareholder”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules; and
“Takeovers Code”	the Codes on Takeovers and Mergers, as approved by the Securities and Futures Commission of Hong Kong (as amended from time to time).

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

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to sections are references to sections of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in the singular shall include the plural and vice versa;
- (e) expressions in any gender or the neuter shall include other genders and the neuter;

- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organizations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. APPROVAL CONDITIONS

2.1 This Scheme is conditional upon:

- (a) the Listing Committee (as defined in the Listing Rules) granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of Options; and
- (b) the commencement of dealings in the Shares on the Stock Exchange.

2.2 If all of the above conditions are not satisfied on or before March 31, 2023 (or such later date as the Board may decide), this Scheme shall immediately lapse and any Option granted or agreed to be granted pursuant to this Scheme and any Offer of such grant shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations in respect of this Scheme or any such Option.

2.3 Reference in section 2.1 to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission that are granted subject to the fulfilment of any condition precedent or condition subsequent.

2.4 Notwithstanding the above, if the Grantee is a PRC resident, he or she shall not be entitled to exercise any Option until: (i) to the extent applicable, any restriction or condition imposed by the relevant PRC laws, regulations and notices in relation to the subscription of or dealing in shares of overseas listed companies by PRC residents or any law, regulation or notice with similar effects have been abolished or removed or ceased to be applicable to the Grantee or the Grantee has obtained approval, exemption or waiver from the relevant PRC regulatory authorities for the subscription of and dealing in the Shares; and (ii) he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant laws, regulations and notices in exercising the Options.

3. PURPOSE, DURATION AND ADMINISTRATION

3.1 The purpose of this Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. This Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants. 17.03(1)

3.2 Subject to the fulfilment of the conditions in section 2 and section 12, this Scheme shall be valid and effective for the Scheme Period. After the expiry of the Scheme Period, 17.03(11)

no further Options shall be offered or granted, but in all other respects the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

- 3.3 This Scheme shall be administered by the Board, and the decision of the Board shall be final and binding on all parties. Subject to compliance with the requirements of the Listing Rules, the provisions of this Scheme and any applicable laws or regulations, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Options under this Scheme, the number of Shares and the Subscription Price, subject to section 5, in relation to such Options; (iii) subject to sections 9 and 11, make such appropriate and equitable adjustments to the terms of the Options granted under this Scheme as it deems necessary, and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.
- 3.4 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board or for any mistake of judgment made in good faith for the purposes of this Scheme, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own wilful default, fraud or bad faith.

4. GRANT OF OPTION

- 4.1 On and subject to the terms of this Scheme, the Board shall be entitled (but shall not be bound) at any time within the Scheme Period to make an Offer to any Participant, as the Board may in its absolute discretion select, to exercise an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. For the purposes of this Scheme, Options may be granted to any company wholly owned by one or more Participants. The Offer shall specify the terms on which the Option is to be granted. Such terms shall include a vesting period of the Option (which shall not be less than 12 months) and a description of any performance target(s) attached to the Option (such description may be qualitative and may include a general description of the target levels and performance related measures and the method for assessing how they are satisfied) or, if none, a negative statement to that effect, and may include at the discretion of the Board such other terms either on a case by case basis or generally. 17.03 (5), (6), (7) 17.03F
- 4.2 Each grant of Options to any director, chief executive or Substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Where any grant of Options to an independent non-executive director or a Substantial Shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all Options and awards granted (excluding any Options lapsed in accordance with the terms of the Scheme) to such person in the 17.04

12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, such further grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

The Company shall send a circular to its Shareholders no later than the date on which the Company gives notice of the general meeting to approve this Scheme. The relevant Participant, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

4.3 The circular to be issued by the Company to its Shareholders pursuant to section 4.2 shall contain the following information:

- (a) the details of the number and terms of the Options to be granted to each Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive directors of the Company (excluding any independent non-executive director who is the relevant Participant) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (d) all information as required under Rule 2.17 of the Listing Rules.

4.4 Any change in the terms of Options granted to any Grantee who is a director, chief executive or Substantial Shareholder of the Company (or any of their respective associates) must be approved by the Shareholders in the manner as set out in section 4.2 if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).

4.5 No Offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules or at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. No offer shall be made and no Option shall be granted to any Participants after inside information has come to the knowledge of the Company until (and including) the trading day after such inside information has been published in an announcement in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

17.05

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's quarterly, interim or annual results or its results for any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its quarterly, interim or annual results or its results for 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. Such period will also cover any period of delay in the publication of any results announcement.

- 4.6 An Offer shall be made to a Participant by a letter in duplicate, in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme. Each Offer shall remain open for acceptance by the Participant to whom the Offer is made for a period of five business days from the date on which the letter containing the Offer is delivered to that Participant, provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after this Scheme has been terminated in accordance with the provisions hereof, whichever is the earlier. 17.03(8)
- 4.7 An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within the period as stipulated in section 4.6. Such remittance shall not be refundable in any circumstances. 17.03(8)
- 4.8 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 or a multiple thereof. To the extent that the Offer is not accepted within five business days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in section 4.6, it shall be deemed to have been irrevocably declined.
- 4.9 Any trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. 17.05A

5. SUBSCRIPTION PRICE

The Subscription Price shall be such price determined by the Board in its absolute discretion and notified to the Participant in the Offer and shall be at least the higher of: 17.03(9)
17.03E

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant, which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant (provided that in the event that any Option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and
- (c) the nominal value of a Share on the Date of Grant.

6. EXERCISE OF OPTIONS

- 6.1 Subject to section 6.2, an Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to any Option, except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this Scheme. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company. 17.03 (17)
- 6.2 The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Participant and any family members of such Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with other requirements of the Listing Rules. Notwithstanding anything contrary to section 6.1, the Company shall have absolute discretion to determine the making of any such waiver application. Where the Company agrees to make such application for waiver and where such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.
- 6.3 An Option may, subject to section 6.4 and the terms and conditions upon which such Option is granted, be exercised in whole or in part by the Grantee 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 aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 business days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate issued by the Auditors or the independent financial advisor (retained for such purpose pursuant to section 9), the Company shall allot, and shall instruct the Share Registrar to issue, the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative(s) as aforesaid) a share certificate in respect of the Shares so allotted and issued.
- 6.4 Subject to the terms and conditions upon which such Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (a) in the event the Grantee ceases to be a Participant for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment before exercising the Option in full and none of the events for termination of employment under section 7.1(d) then exists with respect to such Grantee, the personal representative(s) of the Grantee or the Grantee (as the case may be) shall be entitled to exercise the Option (to the extent not already exercised), in whole or in part, up to the entitlement of such Grantee as at the date of death or the date of cessation due to ill-health or retirement within a period of 12 months from such date of death or cessation;
 - (b) in the event a Grantee (being an employee or a director of any member of our Group) ceases to be a Participant for any reason other than (i) his or her death, ill-health or retirement in accordance with his or her contract of employment or

(ii) on one or more of the grounds of termination of employment or engagement specified in section 7.1(d) below, before exercising the Option in full, the Grantee shall have the right to exercise those Options then already vested in accordance with the terms of this Scheme (to the extent not already exercised) at any time prior to or on the date of expiry of three (3) months period after the date of cessation unless the Board otherwise determines, in which event the Option shall be exercisable, in whole or in part, to the extent and within such period as the Board may determine. The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of any member of the Group) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not;

- (c) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to section 6.4(d)) is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, at any time within such period as shall be notified by the Company; 17.03(10)
- (d) if a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company;
- (e) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or in the case of the death of the Grantee, his personal representatives(s)) may at any time within such period as shall be notified by the Company, subject to the provisions of all applicable laws, exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed general meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option; and
- (f) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in section 6.4(d), between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors summoning the

meeting to consider such a scheme or arrangement and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the register of members of the Company the name of the Grantee as holder of such number of fully paid Shares which fall to be issued on exercise of such Option.

- 6.5 Upon the occurrence of any of the events referred to in sections 6.3€ (d), (e) and (f), the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being more than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.
- 6.6 The Shares to be allotted and issued upon the exercise of an Option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration. 17.03 (10),(15)
- 6.7 Any Option granted may be cancelled if the Grantee so agrees. Issuance of new Options to the same Grantee may only be made if there is available Scheme Mandate Limit approved by shareholders as set out in section 8.1 below. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. 17.03(14)
- 6.8 In any case where a tax is required to be withheld (including but not limited to taxes in the PRC where applicable) in connection with any exercise of any Option granted under this Scheme, the Company or any of its subsidiaries shall have the right to:
- (a) reduce the number of Shares to be delivered pursuant to such exercise by the appropriate number of Shares to satisfy the withholding obligation of the Company or any of its subsidiaries with respect to such exercise, or
 - (b) require the Grantee (or the personal representative(s) of the Grantee, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any of its subsidiaries may be required to withhold with respect to such exercise, and no Shares shall be delivered to such Grantee (or the personal representative(s) of such Grantee, as the case may be) pursuant to such exercise unless such Grantee (or the personal representative(s) of such Grantee, as the case may be) has paid the amount of taxes in full as required under this section 6.8(b).

7. LAPSE OF OPTION

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

17.03(12)

- (a) the expiry of the Option Period;
- (b) the date or the expiry of any of the periods for exercising the Option as referred to in sections 6.3(a) to 6.3(f);
- (c) the date on which the Grantee commits a breach of section 6.1;
- (d) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (e) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (f) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (g) unless the Board otherwise determines, and other than in the circumstances referred to in sections 6.3(a) or (b), the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

7.2 For the avoidance of doubt, transfer of employment or engagement from one member of the Group to another member of the Group shall not be considered as a cessation of employment or engagement. Options held by such Grantee, to the extent not already exercised, shall remain exercisable in accordance with the terms and conditions of this Scheme.

7.3 The Board shall have the power to decide whether an Option shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Option under section 7.

8. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

8.1 Subject to sections 8.4 and 8.6, the total number of Shares which may be issued in respect of all Options to be granted under this Scheme and any other scheme(s) adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 10% of the Shares in issue as at the date dealings in the Shares on the Stock Exchange commence, such 10% limit representing 82,776,993 Shares (the “**Scheme Mandate Limit**”). Options which have lapsed in accordance with

17.03(3)
17.03B(1)

the terms of this Scheme (or any other share option scheme(s) of the Company) shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

- 8.2 If the Company conducts a Share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share. 17.03B(2)
17.03B
Note (2)

- 8.3 Without prejudice to section 8.5, the Company may refresh the Scheme Mandate Limit subject to prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the Scheme). Any "refreshment" within any three year period must be approved by Shareholders of the issuer subject to the following provisions: 17.03C(1)

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under section 8.3(a) and (b) do not apply if the refreshment is made immediately after an issue of securities by the issuer to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme mandate (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme mandate immediately before the issue of securities, rounded to the nearest whole share.

- 8.4 The Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme mandate. A circular in accordance with the requirements of the Listing Rules shall be sent to the Shareholders containing the number of Options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the "refreshment". 17.03C(2)

- 8.5 Without prejudice to section 8.3, the Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, or if applicable, the extended limit as referred to in section 8.3 above, to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular shall be sent to Shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose and all other information as required under the Listing Rules. The number and terms of Options to be granted to such Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such Grant should be taken as the date of Grant for the purpose of calculating the Subscription Price. 17.03C(3)

8.6 Where any grant of Options to a Participant would result in the Shares issued and to be issued in respect of all Options and awards granted to such person (excluding any Options lapsed in accordance with the terms of the Scheme) in any 12-month period up to and including the Date of Grant representing in aggregate over 1% of the Shares in issue (the "**Individual Limit**"), such Grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or associates if the Participant is a connected person) abstaining from voting. A circular shall be sent to the Shareholders disclosing the identity of the Participant, the number and terms of the Options to be granted (and those Options and awards previously granted to such Participant in the 12-month period), the purpose of granting Options to the Participant, an explanation as to how the terms of the Options serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant shall be the Date of Grant for the purpose of calculating the Subscription Price. 17.03(4)
17.03D

8.7 The maximum number of Shares referred to in section 8 shall be adjusted, in such manner as the Auditors or the independent financial advisor of the Company retained for such purpose shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with section 9 by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company.

9. REORGANIZATION OF CAPITAL STRUCTURE AND SPECIAL DIVIDENDS

9.1 In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements (including, without limitation, the Companies Law) and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:- 17.03(13)

- (a) the number or nominal amount of Shares subject to Options granted under the Scheme; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option,

or any combination thereof, as the Auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the Auditors or independent financial advisor (as the case may be) in this section is that of experts and not of arbitrators and their certification

shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company.

- 9.2 In respect of any adjustments required by section 9.1, other than any made on a capitalization of profits or reserves, the Auditors or the independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.
- 9.3 If there has been any alteration in the capital structure of the Company as referred to in section 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with section 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial advisor obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial advisor as soon as practicable thereafter to issue a certificate in that regard in accordance with section 9.1.

10. SHARE CAPITAL

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

11. ALTERATION OF THIS SCHEME

- 11.1 Subject to section 11.2, the Board may amend any of the provisions of this Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of this Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date). 17.03(18)
- 11.2 Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants must be approved by Shareholders in general meeting. Any change to the terms of Options granted to a Participant must also be approved by the Board, the remuneration committee of the Board, the independent non-executive directors and/or the Shareholders (as the case may be) if the initial Grant was approved by the Board, the remuneration committee of the Board, the independent non-executive directors and/or the Shareholders. This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme. This Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the directors of the Company or Scheme administrators to alter the terms of this Scheme must be approved by Shareholders in general meeting.

11.3 Notwithstanding any provisions to the contrary in this Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the Grantee is subject and the Grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Shares, the Grantee may sell the Options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the Options are transferred to a connected person of the Company, no Shares shall be allotted and issued upon the exercise of the Options by a connected person of the Company unless the Board is satisfied that the allotment and issue of Shares will not trigger any breach of the Listing Rules, the memorandum of association and articles of association of the Company or the Companies Law or the Takeovers Code.

12. TERMINATION

12.1 The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme prior to the expiry of the Scheme Period and in such event no further Options will be offered or granted but the provisions of this Scheme shall remain in full 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 this Scheme. Options (to the extent not already exercised) complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of this Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of this Scheme, and Options in respect of which Shares are not yet issued to the Participants, shall continue to be valid and exercisable in accordance with their terms of issue after the termination of this Scheme. 17.03(16)

12.2 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 of this Scheme shall be disclosed in the circular to the Shareholders seeking approval of the new scheme to be established or refreshment of Scheme Mandate Limit under any existing scheme after such termination.

13. MISCELLANEOUS

13.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Grantee, and the rights and obligations of any such Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme and this Scheme shall afford such Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

13.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights 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. No person shall, under any circumstances, hold the Board and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.

- 13.3 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Auditors or the independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 13.4 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 such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address in Hong Kong as notified to the Company from time to time.
- 13.5 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

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 served by personal delivery shall be deemed to have been received when delivered.

- 13.6 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and in the Cayman Islands, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding or exercise of the Option. By accepting an offer of the grant of an Option or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this section shall be a condition precedent to an acceptance of an offer of the grant of an Option by a Grantee and an exercise by a Grantee of his Options. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 13.7 Each Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 13.8 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Options and to determine the Subscription Price to the Company's chief executive officer or other member of senior management from time to time.

- 13.9 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders generally.
- 13.10 The Company shall maintain all necessary books of accounts and records relating to this Scheme.
- 13.11 Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Subscription Price or otherwise) shall be referred to the Auditors 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.
- 13.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.