

Adopted on [19 November] 2026

NEW WORLD DEVELOPMENT COMPANY LIMITED

(新世界發展有限公司)

(Incorporated in Hong Kong with limited liability)

2026 SHARE OPTION SCHEME

**(adopted by ordinary resolution of the shareholders of the Company at the
Annual General Meeting held on [19 November] 2026)**

**SHARE OPTION SCHEME OF
NEW WORLD DEVELOPMENT COMPANY LIMITED
(新世界發展有限公司)**

1. DEFINITIONS

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

“associate”	has the meaning ascribed thereto in the Listing Rules;
“Auditor”	the auditor for the time being of the Company;
“Board”	the board of Directors or a duly authorised committee thereof for the time being;
“Business Day”	has the meaning ascribed thereto in the Listing Rules;
“chief executive”	has the meaning ascribed thereto in the Listing Rules;
“Companies Ordinance”	the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“core connected person”	has the meaning ascribed thereto in the Listing Rules;
“Date of Adoption”	[19 November] 2026, being the date of adoption of the Scheme by resolution of the Shareholders at the annual general meeting of the Company;
“Date of Grant”	in respect of any particular Option, the date on which an Option is deemed to have been granted in accordance with paragraph 9.2;
“Date of Offer”	the date on which an Offer is made to an Eligible Participant, which date must be a Business Day;
“day”	a calendar day;

“Directors”	the directors of the Company for the time being;
“electronic communication”	a communication sent by electronic transmission in any form through any medium;
“Eligible Employee(s)”	any director(s) (including executive, non-executive or independent non-executive director(s)) and employee(s) (whether full time or part time) of the Company or any of its subsidiaries or associated companies
“Eligible Participant(s)”	any Eligible Employee(s);
“Exercise Price”	the price per Share payable on the exercise of an Option which must be at least the higher of: (i) the closing price of the Share as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, which must be a Business Day; and (ii) the average closing price of the Share as stated in the Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the Date of Grant;
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the group of companies comprising the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“month”	calendar month;
“Offer”	the offer of the grant of an Option made by the Board in accordance with paragraph 5;
“Offer Letter”	has the meaning ascribed thereto under paragraph 9.1;

“Option”	a right granted to the Eligible Participant to subscribe for Share(s) pursuant to the terms of the Scheme, and the term “Options” shall be construed accordingly;
“Option Period”	a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period from the Date of Grant and during which an Option may be exercised (subject to any Vesting Period) as set out in the Offer Letter of the relevant Grantee, and in any event, such period shall not be more than ten (10) years from the Date of Grant;
“Scheme”	this share option scheme in its present form or as from time to time amended in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed hereto under paragraph 6.1;
“Scheme Period”	the period of ten (10) years commencing from the Date of Adoption;
“Secretary”	the company secretary of the Company;
“Share(s)”	share(s) of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company as shall result from any such sub-division, consolidation, re-classification or re-construction;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	an amount equal to the Exercise Price multiplied by the relevant number of Shares on the exercise of an Option as described in paragraph 14.1;
“subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance or the local companies law, act and/or ordinance where the subject company was incorporated) of the Company;
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules;

“treasury share(s)”	has the meaning ascribed thereto in the Listing Rules. For the purposes of the Scheme, references to new Shares include treasury shares (if any), and references to the issue of new Shares include the transfer of treasury shares of the Company (if any);
“Vesting Date”	in respect of any particular Option, the date on which such Option is vested and becomes exercisable in accordance with the terms and conditions on which the Option is granted, and the terms “vest”, “vested” and “vesting” shall be construed accordingly;
“Vesting Period”	has the meaning ascribed hereto under paragraph 9.7;
“%”	per cent.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall not limit, vary, extend or otherwise affect the interpretation of any provision of the Scheme. References to paragraphs or sub-paragraphs are to paragraphs or sub paragraphs of the Scheme.
- 1.3 Unless the context otherwise requires, words importing the singular includes the plural and vice versa and words importing natural persons shall include corporations and unincorporated associations; words importing the masculine gender includes the feminine gender and the neuter gender.

2. PURPOSE OF THE SCHEME

The purpose of the Scheme is designed primarily as a means of rewarding Eligible Participants for past service or performance, providing incentive, motivation or reward to Eligible Participants for increasing performance or making contribution to the Group, attracting and retaining persons of the right caliber with the necessary experience to work for or make contribution to the Group and to foster a sense of corporate identity and allowing the Eligible Participants to enjoy the results of the Company attained through their relationship, efforts and/or contribution.

3. CONDITIONS

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

- (i) the passing of an ordinary resolution of the Shareholders in general meeting approving the adoption of the Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Scheme; and
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the Scheme.

4. DURATION AND ADMINISTRATION

- 4.1 Subject to the fulfilment of the conditions in paragraph 3 and the termination provision in paragraph 17.5, the Scheme shall be valid and effective for a period of ten (10) years commencing on the Date of Adoption, after which period no further Options will be granted. Subject to the compliance with the provisions under the Listing Rules, the provisions of the Scheme shall remain in full force and effect and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue.
- 4.2 The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect (save as otherwise provided herein) shall be final, conclusive and binding on all parties.
- 4.3 Subject to compliance with the requirements of the Listing Rules, laws and regulations that are applicable to the Company and/or the provisions of the Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Scheme, (ii) to determine the persons who will be granted Options under the Scheme, and the number of Shares to be issued under the Option and the Exercise Price, (iii) to make such appropriate and equitable adjustments to the terms of Options granted under the Scheme as it deems necessary, and (iv) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Scheme. The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised.

5. GRANT OF OPTIONS

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the Scheme, the Board may during the Scheme Period in its absolute discretion and subject to such conditions as it thinks fit make an Offer to an Eligible Participant of an Option to subscribe for such number of Shares as the Board may (subject to paragraphs 6 and 8) determine at the Exercise Price during the Option Period.
- 5.2 The Company may issue new Shares and/or utilize treasury shares (if any) to satisfy grants of the Options under the Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the articles of association of the Company.
- 5.3 For the purposes of the Scheme, an Eligible Participant may be any Eligible Employee.
- 5.4 In selecting an Eligible Participant, the Board shall take into account factors including, inter alia, (i) previous and continuous contributions of the Grantee to the development, operations and/or performance of the Group; (ii) the performance of the Grantee; (iii) knowledge, skill, experience and other relevant personal attributes of the Grantee; (iv) roles and responsibilities of the Grantee; and (v) any other factors in respect of the Grantee which the Board considers relevant.
- 5.5 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 person falling within any of the classes of Eligible Participants shall not automatically be deemed or construed as a grant of Option under the Scheme, unless otherwise determined by the Board.

5.6 No Offer shall be made after inside information (having the meaning defined in the Listing Rules) has come to the knowledge of the Company until (and including the trading day after) the Company has announced the information. In particular, during the period commencing 30 days immediately before the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of 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. In the event of any delay in publishing the results announcement mentioned in paragraph 5.6(ii) above, no Option may be granted during such period of delay.

6. MAXIMUM NUMBER OF SHARES FOR WHICH OPTIONS MAY BE GRANTED

6.1 The total number of Shares which may be issued (including any treasury shares which may be transferred, as applicable) in respect of all Options which may be granted under the Scheme, together with share options and share awards which may be granted under any other share scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares, if any) as at the Date of Adoption (the “**Scheme Mandate Limit**”) unless the Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit in accordance with paragraph 6.3. Options lapsed in accordance with the terms of the Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

6.2 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 share options and share awards which may be granted under all share scheme(s) 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.

6.3 Subject to the Listing Rules, the Scheme Mandate Limit may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three (3) years from the Date of Adoption or the date of Shareholders' approval for the last refreshment provided that:

- (a) the total number of Shares which may be issued in respect of all share options and share awards which may be granted under all share scheme(s) of the Company under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the relevant class of Shares in issue (excluding treasury shares) as at the date of

approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of share options and share awards that were already granted under the existing Scheme Mandate Limit, and the reason for the “refreshment” as well as other information as required under the Listing Rules.

- (b) any refreshment to the Scheme Mandate Limit within any three-year period must be approved by the Shareholders, where 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 in accordance with the requirements under the Listing Rules.
- (c) the requirements under paragraph 6.3(b) do not apply if the refreshment is made immediately after an issue of securities by the Company to the 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 Limit (as a percentage of the total number of Shares in issue (excluding treasury shares, if any)) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

6.4 The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this paragraph 6.4, the Company must send a circular to the Shareholders containing the name of each Eligible Participant who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and such other information as required under the Listing Rules. The number and terms of Options (including the Exercise Price) to be granted to such Eligible Participant(s) must be fixed before Shareholders’ approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

7. GRANTING OF OPTIONS TO CONNECTED PERSONS

- 7.1 Any grant of Options to an Eligible Participant who is a Director, chief executive, or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the Grantee of the Option).
- 7.2 Where any grant of Options to an Eligible Participant who is an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options, share options and share awards already granted and to be granted (excluding any share options and awards lapsed in accordance with this Scheme or other share scheme(s) of the

Company) to such Eligible Participant in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding treasury shares, if any), such further grant of Options must be approved by the Shareholders in the manner required, and subject to the requirements set out in, the Listing Rules. In such case, the Company shall send a circular to its Shareholders containing (i) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (iii) the information required under Rules 17.02(2)(c) and 2.17 of the Listing Rules; and (iv) such other information as required under the Listing Rules, and such Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

7.3 The circular to be issued by the Company to the Shareholders pursuant to paragraph 7.2 must contain the following information:

- (a) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the Listing Rules.

7.4 Any change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder, or any of their respective associates, must be approved by the Shareholders at general meeting if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).

8. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

8.1 The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under this Scheme or the share options or share awards granted under any other share scheme(s) of the Company (including exercised or outstanding share options or share awards but excluding any share options or share awards lapsed in accordance with the terms of the share scheme(s) of the Company) to each Grantee in any twelve-

month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares, if any). The Company may further grant Options, share options or share awards to an Eligible Participant that would result in the Shares issued and to be issued upon exercise of all Options, share options or share awards granted and proposed to be granted to such person (including exercised, cancelled and outstanding share options or share awards but excluding share options or share awards lapsed in accordance with the terms of the share scheme(s) of the Company) under this Scheme and any other share scheme(s) of the Company in the twelve-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (excluding treasury shares, if any), provided that:

- (a) such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting;
- (b) the Company has first sent a circular to Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options, share options or share awards previously granted to such Eligible Participant in the aforesaid twelve-month period), the purpose of granting the Options, share options or share awards to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose;
- (c) the number and terms of the Options to be granted to such Eligible Participant must be fixed before the shareholders' approval; and
- (d) the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

9. ACCEPTANCE OF OFFERS OF OPTIONS

- 9.1 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine (the “**Offer Letter**”), specifying (inter alia) the matters set forth in paragraph 9.7, and shall be open for acceptance by the Eligible Participant concerned for a period of fourteen (14) days from the Date of Offer (the “**Acceptance Period**”), provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.
- 9.2 An Option shall be deemed to have been granted and accepted on the Date of Offer provided that the duplicate of the Offer Letter comprising acceptance of such 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\$10 by way of consideration for the grant thereof are received by the Company within the Acceptance Period. Such remittance shall under no circumstances be refundable or considered as part of the Subscription Price.

- 9.3 Any Offer may be accepted or deemed to have been accepted by an Eligible Participant in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of such number of Shares as representing board lot(s) for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by the Company as mentioned in paragraph 9.2. To the extent that the Offer is not accepted within the Acceptance Period and in the manner stipulated in paragraph 9.2, it will be deemed to have been irrevocably declined by the Eligible Participant and the Offer shall automatically lapse and become null and void.
- 9.4 Subject to the provisions of the Scheme and the Listing Rules, the Board may at its discretion when making the Offer impose any conditions, restrictions or limitations in relation thereto as it may think fit.
- 9.5 Subject to paragraph 9.6, an Option shall be personal to the Grantee and shall not be transferred, charged, mortgaged or assigned and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option. Any breach of the foregoing by a Grantee shall render all outstanding Options of such Grantee (to the extent that it has not already been exercised) automatically lapsed in accordance with paragraph 13 without incurring any liability on the part of the Company.
- 9.6 The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet the purpose of the Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed.
- 9.7 Subject to paragraph 9.8, the Board may at its absolute discretion impose any minimum period for which an Option must be held before the Option can be exercised (“**Vesting Period**”) or any performance target which is needed to be achieved by the Grantee before an Option can be exercised, and specify the same in the Offer Letter. The Offer Letter shall state (i) the name, address and position of the Eligible Participant; (ii) the number of Shares in respect of the Option granted and the Exercise Price; (iii) the Option Period(s) in respect of the whole or separate parcels of Shares comprised in the Offer; (iv) the minimum period for which an Option must be held before it can be exercised (if any); (v) the performance target (if any) that must be attained by the Eligible Participant before the Option can be exercised; (vi) such other terms and conditions of the Offer as may be imposed by the Board as are not inconsistent with the Scheme; and (vii) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is granted and to be bound by the provisions of the Scheme.
- 9.8 Save for the circumstances mentioned in this paragraph 9.8, the Vesting Period shall be at least twelve (12) months. For any Eligible Participant other than one who is an Eligible Employee by virtue of being a director or employee of any associated company of the Company, a shorter Vesting Period of less than twelve (12) months may be adopted under any of the circumstances below:

- (a) grants of “make-whole” Options to new joiners to replace the share option or awards they forfeited when leaving the previous employers;
- (b) grants of Options to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event and where the Board exercises its discretion to shorten the Vesting Period pursuant to the proviso to paragraph 10.2;
- (c) grants of Options with performance-based vesting conditions imposed by the Board, in lieu of time-based vesting criteria;
- (d) grants of Options that are made in batches during a year for administrative and compliance reasons, including Options that should have been granted earlier but had to wait for the subsequent batch, in which case the Vesting Period may be adjusted to take into account the time from which the Options which have been granted if not for such administrative or compliance requirements. In the event of any other administrative or compliance requirement which gives rise to a shorter Vesting Period of the options granted to any Eligible Participant, the Company will make further announcement as and when appropriate;
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or
- (f) grants of Options with a total vesting and holding period of more than twelve (12) months.

10. RIGHTS OF EXERCISE

10.1 Subject to the following paragraphs of the Scheme, an Option may be exercised by the Grantee in accordance with the terms of the Offer and the Scheme at such time and for such portion of the Shares granted under the relevant Option as the Board shall in its absolute discretion see fit during the Option Period commencing on the Vesting Date and notwithstanding that the Scheme Period may have expired. However, in any event the Option Period shall not be more than ten (10) years from the Date of Grant.

10.2 If the Grantee, being an Eligible Employee, ceases to be an Eligible Employee:-

- (i) by reason of ill-health, disability (all evidenced to the satisfaction of the Board) or death or retirement in accordance with the retirement provisions of his contract of employment, he or (as the case may be) his legal personal representatives may exercise all his Options (to the extent which has become exercisable and not already exercised) within a period being the earlier of six (6) months following the date of his last day of employment or the expiration of the relevant Option Period. Any Options granted to such Eligible Employee, to the extent not vested at the time of termination of employment, shall lapse immediately on the date of such termination of employment, or if not so exercised in accordance with this paragraph 10.2(i), shall lapse and determine at the end of the said period;

- (ii) by reason of voluntary resignation, or by termination of his employment or directorship in accordance with the termination provisions of his contract of employment by his employing company (otherwise than on redundancy) and other than ill-health, disability, death or retirement in accordance with the retirement provisions of his contract of employment, all his Options (to the extent not already exercised) shall lapse on the earlier of the thirtieth (30th) day following the date of his last date of employment or the expiration of the relevant Option Period, or such longer period as the Board may determine;
- (iii) by reason of his employing company ceasing to be a subsidiary or associated company of the Company, he may exercise all his Options (to the extent which has become exercisable and not already exercised) within a period being the earlier of six (6) months following the date of such cessation or the expiration of the relevant Option Period. Any Options granted to such Eligible Employee, to the extent not vested at the time of such cessation, shall lapse immediately on the date of such cessation, or if not so exercised in accordance with this paragraph 10.2(iii), shall lapse and determine at the end of the said period;
- (iv) by reason of his transfer of employment to the Company's controlling shareholders or their respective subsidiaries and associated companies (excluding the Company and any of its subsidiaries and associated companies) (each an "**Affiliated Company**"), he may exercise all his Options (to the extent which has become exercisable and not already exercised) within a period being the earlier of six (6) months following the date of his last day of employment before such transfer or the expiration of the relevant Option Period. Any Options granted to such Eligible Employee, to the extent not vested on the date of his cessation as an Eligible Employee, shall lapse immediately on such date, or if not so exercised in accordance with this paragraph 10.2(iv), shall lapse and determine at the end of the said period;
- (v) by reason of misconduct justifying summary dismissal (i.e., termination without notice or payment in lieu of notice), all his Options (whether vested or not vested) shall lapse forthwith on the date of his cessation as an Eligible Employee; or
- (vi) by any reason other than those provided in paragraphs 10.2(i) to 10.2(v) above, he may exercise all his Options (to the extent which has become exercisable and not already exercised) within a period being the earlier of thirty (30) days following the date of his cessation as an Eligible Employee or the expiration of the relevant Option Period. Any Options granted to such Eligible Employee, to the extent not vested at the time of such cessation, shall lapse immediately on the date of such cessation, or if not so exercised in accordance with this paragraph 10.2(vi), shall lapse and determine at the end of the said period;

provided that in any such case, the Board in its absolute discretion may otherwise determine subject to such conditions or limitations as the Board may decide.

- 10.3 In relation to a Grantee not being an Eligible Employee, all Options held by such Grantee (to the extent not already exercised) shall forthwith lapse if the Board shall at any time at its absolute discretion determine that (i) such Grantee or his associate has committed any breach of any contract entered into between such Grantee or his associate on the one part and the Group on the other part or that such Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) all Options held by that Grantee shall lapse. A resolution of the Board to the effect that any event herein stated leading to the lapse of Options has occurred shall be conclusive.
- 10.4 Notwithstanding anything in the Scheme to the contrary, the Option Period shall not be extended beyond ten (10) years from the Date of Grant, and on expiry of the Option Period all rights in respect of an Option shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its duties under the Scheme in relation to such exercise. No Option may be exercised after the expiry of the Option Period.

11. CANCELLATION OF OPTIONS GRANTED

The Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an Offer of the grant of new Options to the same Option holder, the Offer may only be made with available unissued options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 6.1. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

12. TAKEOVER OFFERS, LIQUIDATION AND RECONSTRUCTION

- 12.1 If, a general offer by way of takeover is made to all the holders of Shares (other than by way of scheme of arrangement pursuant to paragraph 12.2) or all such holders other than the offeror and/or any person acting in association or concert with the offeror and such offer has become or is declared unconditional prior to the expiry date of the Options, the Company give notice thereof to the Grantee and the Grantee (or the Grantee's legal personal representative(s)) may by notice in writing within fourteen (14) days after the date on which such offer becomes or is declared unconditional exercise the Options (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.
- 12.2 If a general offer by way of a scheme of arrangement is made to all the holders of Shares and the scheme has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his or her legal personal representative(s)) may, by notice in writing to the Company within such time as shall be specified in the notice, exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.
- 12.3 If a notice is given by the Company to its Shareholders to convene a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, other

than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees. Each Grantee (or the Grantee's legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than seven (7) Business Days prior to the date of the proposed general meeting) exercise the Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, and any such Option not so exercised shall lapse and determine on the commencement of the winding-up.

- 12.4 If, pursuant to the Companies Ordinance, a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies (other than a general offer contemplated under paragraphs 12.1 and 12.2), the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each Shareholder or creditor of the Company convening the meeting to consider such a compromise or arrangement (the "**Notification Date**"), and the Grantee (or the Grantee's legal personal representative(s)) may from the Notification Date until the expiry of the period commencing from the Notification Date and ending on the earlier of: (a) two (2) months after the Notification Date and (b) the date on which such compromise or arrangement is sanctioned by a court of competent jurisdiction, exercise his Option (to the extent which has become exercisable and not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by a court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Scheme. The Company may thereafter require the Grantee (or the Grantee's legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as may be as would have been the case had such Shares been subject to such compromise or arrangement.
- 12.5 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date the name of the Grantee is registered in the register of members of the Company as the holder thereof, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer, and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distribution paid or made after the date when the name of the Grantee is entered into the register of members of the Company other than any dividend or distribution to be paid or made if the record date therefor shall be before the date the name of the Grantee is registered in the register of members of the Company, provided always that when the date of exercise of the Option falls on a date upon when the register of members of the Company is closed,

then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of members of the Company re-opens.

13. LAPSE OF OPTION

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

- (i) the expiry of the Option Period (subject to the provisions of paragraphs 4.1 and 10);
- (ii) the expiry of any of the periods referred to in paragraphs 10.2(i), 10.2(ii), 10.2(iii), 10.2(iv), 10.2(vi) and 12.1;
- (iii) the date on which the Grantee ceases to be an Eligible Employee by reason of misconduct or on certain other grounds as provided in paragraphs 10.2(v);
- (iv) the date on which the Board determines that all Options held by the Grantee not being an Eligible Employee shall lapse by reason of the events as provided in paragraph 10.3;
- (v) subject to the scheme of arrangement or compromise becoming effective, the expiry of the period referred to in paragraphs 12.2 or 12.4;
- (vi) where the Options have not become exercisable upon the expiry of the periods referred to in paragraphs 12.1, 12.2, 12.3 or 12.4; or
- (vii) subject to paragraph 12.3, the close of the seventh (7th) Business Day prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of commencement of the winding-up of the Company.

14. EXERCISE OF OPTIONS

14.1 In order for the exercise of an Option to be effective, the Secretary must, prior to the expiry of the Option Period, have received:-

- (i) a written notice to exercise the Option in accordance with paragraph 10.1, signed by the Grantee (or the Grantee's legal personal representative(s), as the case may be), stating that the Option is thereby exercised and specifying the number of Shares in respect of which the Option is being exercised; and
- (ii) payment in full of the Subscription Price for the Shares in respect of which the notice is given.

Unless otherwise agreed between the Company and the Grantee, Shares in respect of an Option shall be allotted to the Grantee (or the Grantee's legal personal representative(s), as the case may be) credited as fully paid within thirty (30) days after receipt of the written notice and the payment of the Subscription Price by the Secretary in accordance with paragraphs 14.1(i) and (ii) above and where appropriate, receipt of

the written certificate from the independent financial adviser or the Auditor (as the case may be) pursuant to paragraph 15.

- 14.2 An Option can be exercised in whole or in part.
- 14.3 Notwithstanding the provision in paragraph 14.1 above, the Board may exercise its discretion to appoint any administrator or agent to handle the process for exercise of Options. The relevant appointment and the process for the exercise of Options to be handled by such administrator or agent will be informed to the Grantee (or the Grantee's legal personal representative(s), as the case may be).
- 14.4 All allotments and issues of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in Hong Kong or elsewhere and it shall be the responsibility of the Grantee to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent. The Company shall not be responsible for any failure by 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 the Grantee's participation in the Scheme.
- 14.5 The Grantee shall pay all tax and discharge other liabilities to which the Grantee may become subject as a result of the Grantee's participation in the Scheme or the exercise of any Option.

15. ADJUSTMENTS

- 15.1 Subject to paragraphs 6.1, 7 and 8, in the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

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

as the independent financial adviser or the Auditor shall certify in writing to the Board, either generally or as regards any particular Grantee, that such alterations satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules (as well as calculated in accordance with the formulas for adjustments as set out in Appendix 1 to the Frequently Asked Questions FAQ13 issued by the Stock Exchange (or any successor guidance or interpretation of the Listing Rules in respect of the same subject matter issued by the Stock Exchange from time to time) ("**Supplementary Guidance**")) and shall give the Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole share, as that to which the Grantee was previously entitled to. The capacity of the independent financial adviser or the Auditor in this paragraph 15 is that of an expert and not of an arbitrator and its certification shall in the absence of manifest error be final and binding on the Company and the Grantees.

- 15.2 In addition, in respect of any adjustments under this paragraph 15, other than any made on a capitalisation issue, an independent financial adviser or the Auditor must confirm in writing to the Board that the adjustments satisfy the requirements of the relevant provision of the Listing Rules and the Supplementary Guidance.

16. ADMINISTRATION

- 16.1 Notices or documents between the Company and the Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in Hong Kong, or as notified to the Grantees from time to time and, in the case of the Grantee, (i) be sent to him by prepaid post or by personal delivery to his last known address according to the records of the Company or his employing company as notified to the Company from time to time; or (ii) to the extent permitted by the articles of association of the Company and in accordance with the Listing Rules and any other applicable laws, by electronic communication including by transmitting the same to any electronic number, address or website as notified by the Company from time to time or by placing the same on the Company's website and/or the website of the Stock Exchange.
- 16.2 Any notice or other communication served by post:-
- (i) by the Company shall be deemed to have been served on the second Business Day after the same was put in the post; and
 - (ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 16.3 Any notice or other communication served by electronic communication by the Company shall be deemed to have been served on the Grantee:-
- (i) in the case of placing on the Company's website and/or the website of the Stock Exchange, on the day on which the same is published on such website; and
 - (ii) in any other case, on the day on which the same is transmitted to the Grantee if no notification has been received by the Company within 24 hours after the transmission that the electronic communication has not reached the Grantee,
- or at such later time as may be prescribed by the Listing Rules or any other applicable laws. Any failure in transmission of the electronic communication which is beyond the Company's control shall not invalidate the effectiveness of the notice or communication being served.
- 16.4 The Company shall at all times keep available for allotment enough unissued Shares of the Company to satisfy all Options.
- 16.5 The decision of the Board in any disputes relating to an Option or matter relating to the Scheme shall be final and conclusive, subject to the prior receipt of a statement in writing from the independent financial adviser or the Auditor when so required by paragraph 15.

- 16.6 The costs of introducing and administering the Scheme shall be borne by the Company.
- 16.7 The Board shall have power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the terms of the Scheme.
- 16.8 The Scheme shall not form part of any contract of employment or engagement of services between the Group and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his or her office, employment or engagement in services shall not be affected by the participation of the Eligible Participants in the Scheme or any right which he or she may have to participate in it and the Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office, employment or engagement for any reason.
- 16.9 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

17. ALTERATION OR TERMINATION OF THE SCHEME

- 17.1 Subject to paragraphs 17.2 to 17.4, the Scheme may be altered in any respect by resolution of the Board except that:-

- (a) any alteration to the provisions of the Scheme which are of a material nature; and
- (b) any alteration to the provisions of the Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of Grantees;

must be approved by a resolution of the Shareholders in general meeting.

- 17.2 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), unless the alterations take effect automatically under the existing terms of the Scheme;
- 17.3 Any change to the authority of the Directors or the administrators of the Scheme to alter the terms of the Scheme must be approved by the Shareholders in general meeting.
- 17.4 The terms of the Scheme and/or any Options amended pursuant to this paragraph 17 must comply with the applicable requirements of Chapter 17 of the Listing Rules.
- 17.5 The Company may by resolution in general meeting terminate the Scheme at any time, and in such event no further Options will be offered but in all other respects the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme and

Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme. After such termination, details of the Options granted (including Options exercised or outstanding) under the Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established after such termination.

- 17.6 In no circumstances shall a person ceasing to be an Eligible Participant for any reason be entitled to any compensation or damages for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or otherwise in connection with the Scheme.
- 17.7 The Company must provide to the Grantees all details relating to the change of the terms of the Scheme immediately upon such changes taking effect.

18. CLAWBACK MECHANISM

- 18.1 Save as otherwise determined and stated by the Directors in the terms of offer for the grant of the Options pursuant to the Scheme and the circumstances as set out in paragraph 10 above, the grant of the Options is not subject to any clawback mechanism to recover or withhold the remuneration (which may include any options or awards granted). The Options that are clawed back pursuant to paragraph 10 above shall be regarded as lapsed and the Options so lapsed shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

20. GOVERNING LAW

The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.