



**DATED THE 18<sup>th</sup> DAY OF OCTOBER 2021**

**Wuling Motors Holdings Limited**  
**(五菱汽車集團控股有限公司)**  
*(Incorporated in Bermuda with limited liability)*

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**SHARE OPTION SCHEME**

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**1. DEFINITIONS AND INTERPRETATION**

1.1 In the Scheme, the following expressions shall, unless the context otherwise requires, have the following meanings:

<b>"Adoption Date"</b>	the date on which the Scheme is approved by the Guangxi SASAC and conditionally adopted by resolution of the shareholders of the Company in its general meeting;
<b>"associate"</b>	has the meaning ascribed thereto in the Listing Rules;
<b>"Auditor"</b>	the auditor for the time being of the Company;
<b>"Board"</b>	the board of directors of the Company or a duly authorised committee thereof;
<b>"Board Lot"</b>	the board lot in which Shares are traded on the Stock Exchange from time to time;
<b>"Business Day"</b>	a day on which the Stock Exchange is open for the business of dealing in securities;
<b>"Bye-laws"</b>	the Bye-laws of the Company, as amended from time to time;
<b>"chief executive"</b>	has the meaning ascribed thereto in the Listing Rules;
<b>"Company"</b>	Wuling Motors Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 305);
<b>"Companies Act"</b>	the Companies Act 1981 of Bermuda (as amended);
<b>"Companies Ordinance"</b>	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
<b>"Conditions for Vesting"</b>	the conditions stated in Clauses 2.4 and 2.5;

<b>"connected person"</b>	has the meaning ascribed thereto in the Listing Rules;
<b>"Eligible Relationship"</b>	the relationship between a Participant and the Company or any Subsidiary;
<b>"External Director(s)"</b>	a Director who is not an employee of and is external to the Company. Other than the position as the Director and the member of the specific committee(s), he/she will not hold any positions and will not be responsible for any businesses undertaken by the executive departments which would affect his/her impartiality in discharging his/her duty as an external director of a company. A Director who is an employee of the holding company of the Company and participates in the incentive scheme of the Company would not be considered as External Director.
<b>"Financial Period"</b>	a year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) in relation to which the Company's consolidated financial statements and accounts are made up;
<b>"Grant"</b>	the granting of the Options under the Scheme to the Participants;
<b>"Grant Date"</b>	the date (which shall be a Business Day) on which the grant of an Option is made to (and subject to acceptance by) a Participant as determined in accordance with Clause 4.3;
<b>"Grantee"</b>	any Participant who accepts the grant of any Option in accordance with the terms of the Scheme or (where the context so permits) a person entitled under the Scheme to exercise any such Option in consequence of the death of the original Grantee;
<b>"Group"</b>	the Company and its Subsidiaries;
<b>"Guangxi SASAC"</b>	廣西壯族自治區人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the State Council of People's Government of Guangxi Zhuang Autonomous Region of the PRC*);
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the People's Republic of China;
<b>"HK\$"</b>	Hong Kong dollars, the lawful currency of Hong Kong;

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\* For identification purpose only

<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
<b>"New Refreshed Limit"</b>	has the meaning ascribed thereto in Clause 9.2(b);
<b>"Option"</b>	an option to subscribe for Shares granted to (and subject to acceptance by) a Participant pursuant to the Scheme and <b>"Options"</b> shall be construed accordingly;
<b>"Option Period"</b>	in respect of any particular Option, a period (which is of not more than six (6) years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the grant letter to the Participant, and expiring on the earliest of the last day of the said period or such time as specified in the Scheme;
<b>"Participant"</b>	any person being (i) any Director (including any executive Director or non-executive Director) of any member of the Group and (ii) any employee (whether in full time or part-time employment) of any member of the Group (the two categories above are exclusive of any independent non-executive Director, External Director, and any shareholder (or beneficial owner) holding 5% or more of the issued share capital of the Company, or the spouse, any parent, child or other associate (as defined under the Listing Rules) of such shareholders (or beneficial owner)), and <b>"Participants"</b> shall be construed accordingly;
<b>"PRC"</b>	People's Republic of China (for the purpose of this Scheme, excluding Hong Kong, Macau and Taiwan Regions);
<b>"Refresher Date"</b>	has the meaning ascribed thereto in Clause 9.2(b);
<b>"Restriction Period"</b>	the period that the Options shall not be exercised from the Grant Date imposed by the Board at its discretion;
<b>"Scheme"</b>	this share option scheme in its present or any amended form;
<b>"Scheme Period"</b>	the period of six (6) years commencing on the Adoption Date and expiring on the sixth (6 <sup>th</sup> ) anniversary of the Adoption Date;
<b>"SFO"</b>	Securities and Futures Ordinances (Chapter 571, Laws of Hong Kong);
<b>"Share(s) "</b>	ordinary share(s) of HK\$0.004 each in the capital of the Company;

<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited;
<b>"Subscription Price"</b>	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 5, subject to adjustment in accordance with the Scheme;
<b>"Subsidiary"</b>	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or according to the laws of Bermuda) of the Company, as the case may be, whether incorporated in Hong Kong, Bermuda or elsewhere, and <b>"Subsidiaries"</b> shall be construed accordingly;
<b>"Vesting"</b>	the Options being vested and exercisable by the Participants; and
<b>"Vesting Period"</b>	the period during which the Options shall be vested and exercisable by the Participants.

- 1.2 The purpose of the Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group and to establish a benefit sharing and risk sharing mechanism among the shareholders, the Company and the Participants to all together pay more attention to long-term development of the Company.
- 1.3 In the Scheme any references, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant statute, provision or rule.
- 1.4 References to any document (including the Scheme) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.5 References herein to Clauses are to clauses in the Scheme unless the context requires otherwise.
- 1.6 Headings are inserted for convenience only and shall not affect the construction of the Scheme.
- 1.7 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.8 In construing the Scheme:

- (a) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

**2. CONDITIONS FOR THE SCHEME, GRANT AND VESTING**

2.1 The Scheme is conditional upon:

- (a) the approval from the Guangxi SASAC;
- (b) the passing of an ordinary resolution by the shareholders of the Company in general meeting to approve the adoption of this Scheme; and
- (c) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under this Scheme.

2.2 Conditions for Grant for the Company

- (a) the Company has met the requirements specified in the Guangxi SASAC's Notice for the Publication of the Guidelines for the Implementation of Share Option Schemes for State-owned Listed Companies\* (《自治区国资委关于印发企业控股上市公司实施股权激励工作指引的通知》); and
- (b) the Company is not prohibited by the Stock Exchange from adopting this Scheme.

2.3 Conditions for Grant for the Participant

- (a) the Participant works in the Company or any of its Subsidiaries as an employee;
- (b) the Participant is not an independent non-executive director of the Company;
- (c) the Participant is not a beneficial owner or shareholder, or the spouse, any parent, child or other associate (as defined under the Listing Rules) of a beneficial owner or shareholder, of the Company holding more than 5% of its issued share capital; and

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\* For identification purpose only

- (d) the Participant has never achieved the performance appraisal rating of “incompetent” (or equivalent) in the preceding three financial years before the Grant Date, in accordance with the relevant performance evaluation method adopted by the Company.

#### 2.4 Conditions for Vesting for the Company:

- (a) the Company’s fulfillment of the performance target as set by the Board after taking into account the actual situation of the Company;
- (b) the Company is not under any of the following circumstances:
  - (i) failure to engage an auditor to carry out audit work in accordance with the relevant procedures and requirements;
  - (ii) issue of an auditors’ report by a certified public accountant with an adverse opinion or a disclaimer of opinion with respect to the annual financial report of the Company;
  - (iii) the Guangxi SASAC or the National Audit Office of the PRC raising material objections to the internal control review report or the annual financial report of the Company; or
  - (iv) imposition of penalties by securities regulatory authorities or other relevant departments due to serious violations by the Company; and
- (c) the Subsidiaries’ fulfillment of the performance target as set by the Board after taking into account the actual situation of those Subsidiaries.

#### 2.5 Conditions for Vesting for the Participant:

- (a) the Participant is not under any of the following circumstances:
  - (i) results of economic accountability audit indicate a failure in performing the Participant’s duties effectively or a serious breach or dereliction of his/her duties;
  - (ii) the Participant has violated applicable laws and regulations of the PRC or provisions of the Bye-laws;
  - (iii) the Participant, during his/her employment, has engaged in the acceptance or solicitation of bribes, corruption, theft, leaking commercial and technological secrets of the Company, conducting related party transactions to the prejudice of the interests and reputation of the Company, and other illegal behaviours having a material adverse impact on the image of the Company, and has been sanctioned; or



- (iv) the Participant has not performed or duly performed his/her duties, causing the Company to suffer a material loss of asset and other material adverse impact; and
  - (b) the Participant has never achieved the performance appraisal rating of “incompetent” (or equivalent) during the Vesting Period, in accordance with the relevant performance evaluation method adopted by the Company.
- 2.6 Upon fulfilment of the conditions stated in Clauses 2.2 and 2.3, the Company may grant Options to a Participant. In respect of each Participant, the Vesting of Options under the Scheme shall be conditional upon fulfilment of the conditions stated in Clauses 2.4 and 2.5 by the Company and the Participant. If any condition stated in Clauses 2.4 and 2.5 is not fulfilled, the Board may propose to the general meeting to terminate the Scheme by resolution in accordance with Clause 15. If any condition stated in Clause 2.5 is not fulfilled, all Options granted to and accepted by the relevant Participant and not then exercised shall not continue to be valid and exercisable, unless the Scheme specified otherwise.

### **3. DURATION AND ADMINISTRATION**

- 3.1 Subject to Clause 15, the Scheme shall be valid and effective for the Scheme Period, after which period no further Options will be granted or accepted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the Scheme Period and remain unexercised immediately prior to the end thereof shall continue to be exercisable in accordance with their terms of Grant within the Option Period for which such Option are granted notwithstanding the expiry of the Scheme Period.
- 3.2 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.3 The Board shall have the 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 provisions of the Scheme.

### **4 GRANT OF OPTION**

- 4.1 On and subject to the terms of the Scheme, the Board shall be entitled at any time and from time to time during the Scheme Period (provided that no Options shall be granted after the expiration of the Scheme Period or after the Scheme has been terminated (if applicable)) to grant (subject to acceptance by the Participant in accordance with the terms of the Scheme) to any Participant who, the Board may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his performance and/or years of service, or is regarded as valuable resources of the Group based on his work experience, knowledge in the industry and other relevant factors, or is expected to be able to contribute to the prosperity, business development or growth of the Group based on his/its business

connection or network or other relevant factors, and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price, provided that no such grants shall be made except to such number of Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

- 4.2 No Option shall be granted to any Participant if the Grant Date in respect of that Option occurs (or would, in the absence of this Clause 4.2, occur):
- (a) after an event which constitutes inside information (as defined in the SFO) of the Group has occurred, come to the knowledge of the Company or such matter has been the subject of a decision, until the trading day after such inside information has been published in accordance with the Listing Rules and SFO; or
  - (b) within the period commencing one month immediately preceding the earlier of:
    - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any Financial Period; and
    - (b) the deadline for the Company to publish an announcement of its results for any Financial Period, and ending on the date of such results announcement provided that the period within which no Option may be granted will cover any period of delay in the publication of the results announcement.
- 4.3 A grant of an Option shall be made to a Participant by letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Participant) is made) (the "Grant Letter") in such form as the Board may from time to time determine specifying, inter alia, the number of Shares comprised in and the Option Period in respect of the relevant Option and the Subscription Price and requiring the 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. The Grant shall be personal to the Participant concerned and not transferable and shall remain open for acceptance by the Participant for a period of 28 days from the Grant Date, provided that no such Grant shall be open for acceptance after the expiry of the Scheme Period or after the Scheme has been terminated (if applicable). Each of the grant letter shall state, inter alia, (i) the Participant's name and address and, in the case of an employee of the Group, position; (ii) the Grant Date ; (iii) the last date for acceptance by the Participant of the offer of the Option; (iv) the number of Shares in respect of which the Option is offered; (v) the Subscription Price and the manner of payment of the Subscription Price for the Shares on and in consequence of the exercise of the Option; (vi) the Option Period and how it is ascertained; (vii) (if applicable) the method of exercise of the Option; and (viii) such other terms and conditions relating to the offer of the Option which the Board may in its absolute discretion impose, which may include (a) minimum periods (if any) for which the Option must be held; and/or (b) minimum performance targets (if any) that must be reached, before the Option can be exercised in whole or in part; and/or (c) any terms as to early termination of an Option,

provided that they shall not be inconsistent with the rules and procedures applicable to this Scheme;

- 4.4 An Option shall be regarded as having been accepted when the duplicate of the grant letter, comprising acceptance of the Option, duly signed by the Participant is received by the Company within the period referred to in Clause 4.3. No fee shall be payable by a Participant on the application for or acceptance of the Grant.
- 4.5 Any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a Board Lot or an integral multiple thereof and such number is clearly stated in the duplicate letter and accepted by the Participant in the manner specified in Clause 4.4. To the extent that the Grant is not accepted within 28 days from the Grant Date (or such shorter period as is mentioned in Clause 4.3) in the manner indicated in Clause 4.4, the Grant will be deemed to have been irrevocably declined and shall lapse.
- 4.6 Where any Grant is proposed to be made to a Participant who is a Director or chief executive of the Company, or any of their respective associates, such Grant must first be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of such Options).
- 4.7 Without prejudice to the generality of Clause 4.6, where any Grant is proposed to be made to a Participant who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, which would result in the Shares issued and which may fall to be issued upon the exercise of such Options proposed to be granted and all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Scheme and any other share option scheme(s) of the Company in the 12-month period up to and including the proposed Grant Date for such Options:
- (a) representing in aggregate over 0.1 per cent. (0.1%) of the number of Shares then in issue; and
  - (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of HK\$5 million,

then such grant of Options must first be approved by the shareholders of the Company in general meeting at which meeting all the Grantee, his/her associates and all core connected persons of the Company shall abstain from voting on the relevant resolution, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules.

- 4.8 The circular to be issued by the Company to the shareholders pursuant to Clause 4.7 shall contain the following information:

- (a) the details of the number and terms (including the Subscription Price) of the Options to be granted to each selected Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further Grant shall be taken as the date of Grant for the purpose of calculating the exercise price of such Options;
  - (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) to the independent shareholders as to voting;
  - (c) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules;
  - (d) the information required under Rule 2.17 of the Listing Rules;
  - (e) any other information as may be required under the Listing Rules from time to time.
- 4.9 Any vote taken at the meeting to approve the grant of such Options referred to in Clause 4.7 must be taken by poll. The Company shall announce the results of the poll (including (a) the total number of Shares entitling the holder to attend and vote for or against the resolution at the meeting, (b) the total number of Shares entitling the holder to attend and vote only against the resolution at the meeting, (c) the number of Shares represented by votes for and against the relevant resolution) by way of an announcement which is published in accordance with the Listing Rules on the Business Day following the meeting. The Company shall appoint its auditor, share registrar or external accountants who are qualified to serve as auditor for the Company as scrutineer for the votetaking and state the identity of the scrutineer in the announcement. The Company shall confirm in the announcement whether or not any parties that have stated their intention in the circular to vote against the relevant resolution or to abstain have done so at the general meeting.
- 4.10 Parties that are required to abstain from voting in favour at the general meeting referred to in Clause 4.7 may vote against the resolution at the general meeting of the Company provided that their intention to do so has been stated in the circular to the shareholders. Any such party may change his mind as to whether to abstain or vote against the resolution, in which case the Company must, if it becomes aware of the change before the date of the general meeting, immediately despatch a circular to the shareholders or publish an announcement in accordance with the Listing Rules notifying the shareholders of the change and, if known, the reason for such change. Where the circular is despatched or the announcement is published less than ten (10) Business Days before the date originally scheduled for the general meeting, the meeting must be adjourned before considering the relevant resolution to a date that is at least ten (10) Business Days from the date of despatch or publication by the chairman or, if that is not permitted by the Bye-laws, by resolution to that effect.
- 4.11 Where a meeting is required to be adjourned by resolution, all shareholders of the Company are permitted to vote on that resolution. Any shareholders who would have been required to abstain from voting on any resolution that was to be proposed shall vote in favour of the resolution to adjourn the meeting.

- 4.12 The Company must have an appropriate procedure in place to record that any parties that must abstain or have stated their intention to vote against the relevant resolution in the circular or announcement have done so at the general meeting.
- 4.13 Any proposed change in the terms of Options granted to a Participant who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, must first be approved by the shareholders of the Company in general meeting at which meeting all the connected persons of the Company shall abstain from voting on the relevant resolution, except that any such connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules. Any vote taken at the meeting to approve the proposed change to the terms of such Options must be taken by poll.
- 4.14 Subject to Clause 4.7, where any Grant is proposed to be made to a Participant which, if accepted and exercised in full, would result in the Shares issued and which may fall to be issued upon the exercise of such Options proposed to be granted and all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Scheme and any other share option scheme(s) of the Company in the 12-month period up to and including the proposed Grant Date for such Options representing in aggregate over one per cent. (1%) of the number of Shares in issue as at the proposed Grant Date, then such grant of Options must first be approved by the shareholders of the Company in general meeting held in accordance with the relevant procedural requirements of the Listing Rules, and such Participant and his associates shall abstain from voting on the relevant resolution at such meeting.

## **5. SUBSCRIPTION PRICE**

The Subscription Price shall be determined by the Board and notified to a Participant at the time the Grant (subject to any adjustments made pursuant to Clause 10) is made to (and subject to acceptance by) the Participant and shall be at least the higher of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the Grant Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and (c) the nominal value of the Shares.

## **6. EXERCISE OF OPTIONS**

- 6.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under this Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this Clause 6.1, forthwith revoke any Option granted to such Grantee (to the extent not already exercised) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damage against the Company or any of its directors for such revocation provided that the Company has acted in good faith.
- 6.2 Subject to the terms and conditions of the Grant, an Option may be exercised in whole or in part (but if in part only, in respect of a Board Lot or an integral multiple thereof) in the manner provided in Clause 6 by the Grantee (or, as the case may be, by his legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. For the purposes of determining the date on or by which an Option is or has been exercised under the Scheme, an Option shall be regarded as exercised when a duly completed notice of exercise complying with the terms of the Scheme, accompanied by the appropriate remittance, where necessary, has actually been received by the Company. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the independent financial adviser's or the Auditor's confirmation pursuant to Clause 10.1, the Company shall allot the relevant Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted.
- 6.3 Subject as hereinafter provided in the Scheme, the Option may be exercised by the Grantee at any time during the Option Period provided that:
- (a) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary, in the event of the Grantee ceasing to be such employee or officer for any reason, including but not limited to resignation of the Participants and the dismissal by the Company due to personal reasons, other than his death, ill health, disability or insanity or the termination of his employment or office on one or more of the grounds specified in Clause 8.4, then the Option shall no longer be exercisable on the earlier of the date of expiry of the Option Period or the date of such cessation, which date shall be the last actual day of employment or office with the Company or the relevant Subsidiary whether payment in lieu of notice is made or not (if applicable), provided that the limits imposed by the Restriction Period have been complied with and the Conditions for Vesting has been completely fulfilled. The

income gained/received/obtained by the Participant under the Scheme shall be negotiated and resolved in accordance with the agreement for the Grant;

- (b) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary, in the event of the Grantee ceasing to be such employee or officer by reason of death, relocation, removal or retirement and none of the events which would be a ground for termination of his employment or office specified in Clause 8.4 has occurred, such Grantee or the legal personal representative(s) of such Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or within a period of six (6) months from the date of death, relocation, removal or retirement (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option, provided that the limits imposed by the Restriction Period have been complied with and the Conditions for Vesting has been completely fulfilled;
- (c) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any, in the event of the Grantee ceasing to be such employee or officer by reason of ill health, disability, insanity, loss of earning capacity or loss of civil capacity, which is not caused by work injuries, and none of the events which would be a ground for termination of his employment or office specified in Clause 8.4 has occurred, such Grantee or the legal personal representative(s) of that Grantee shall be entitled until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of six (6) months from the date of cessation which date shall be the last actual day of employment (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option, provided that the limits imposed by the Restriction Period have been complied with and the Conditions for Vesting has been completely fulfilled;
- (d) where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any, in the event of the Grantee ceasing to be such employee or officer by reason of loss of earning capacity, caused by work injuries during his/her term of office in the Company, and none of the events which would be a ground for termination of his employment or office specified in Clause 8.4 has occurred, such Grantee or the legal personal representative(s) of that Grantee shall be entitled until the date of expiry of the Option Period to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option, provided that the limits imposed by the Restriction Period have been complied with and the Conditions for Vesting has been completely fulfilled;
- (e) if a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared

unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse;

- (f) in the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause 6.3(f)) and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than thirty (30) days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance 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 record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;
- (g) if an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Act, in connection with a proposed compromise or arrangement between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within twenty-one (21) days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent specified in such notice;
- (h) in the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (or his or her legal personal representative(s)) on the same day as it gives notice of the meeting to, its shareholders or creditors to consider such compromise or agreement, and thereupon the Grantee (or his or her legal personal representative(s)) may, during the period commencing with the date of the aforesaid notice and ending with the earlier of the date two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of an Option 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 the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under this Scheme. The Board shall endeavour, subject to applicable laws and regulations, to procure that the Shares issued as a result of the exercise of the Options under this Clause 6.3(h) shall for the purpose of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the



order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of this Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (i) in other unspecified circumstances, the handling measures on the exercise of the Options shall be determined by the Board.
- 6.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.
- 6.5 A Share issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.
- 6.6 For the purposes of Clause 6.3(a) a Grantee shall not be regarded as ceasing to be in an Eligible Relationship with the Company or any Subsidiary if he ceases to be in an Eligible Relationship with the Company or any particular Subsidiary but at the same time he is involved in a different Eligible Relationship with the Company or any particular Subsidiary or another Subsidiary, as the case may be.
- 6.7 Unless specified otherwise in the Scheme, there is no general requirement that an Option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of the grant of an Option.
- 6.8 No share options shall be exercised within the Restriction Period of twenty-four (24) months from the Grant Date.
- 6.9 In respect of each Grant, upon satisfaction of Conditions for Vesting under the Scheme, the Options granted shall be vested in batches as follows:
- (i) From the first trading day after the second-year anniversary (24-month) of the Grant Date to the last trading day within the third-year anniversary (36-month) of the date of completion of registration, 30% of the total number of the Options granted shall be vested and exercisable;
  - (ii) From the first trading day after the third-year anniversary (36-month) of the Grant Date to the last trading day within the fourth-year anniversary (48-month) of the date of completion of registration, 30% of the total number of the Options

granted shall be vested and exercisable (excluding the Options which have already been vested and exercised); and

- (iii) From the first trading day after the fourth-year anniversary (48-month) of the Grant Date to the last trading day within the fifth-year anniversary (60-month) of the date of completion of registration, 40% of the total number of the Options granted shall be vested and exercisable (excluding the Options which have already been vested and exercised).

## **7. PERFORMANCE TARGET**

Unless otherwise specified in the Scheme or the terms of any grant letter, the Grantee of the relevant Options to be granted thereunder is not required to achieve any performance targets before such Options can be exercised.

## **8. LAPSE OF OPTION**

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in Clause 6.3(a), 6.3(b), 6.3(c), 6.3(d), 6.3(e), 6.3(f), 6.3(g) or 6.3(h); and
- (c) any other events the Board deems appropriate.

8.2 subject to Clause 6.3(f), the earliest of the close of business on the second Business Day prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in Clause 6.3(f) or the date of the commencement of the winding-up of the Company;

8.3 save as otherwise provided in Clause 6.3(e) or by the court in relation to the Scheme in question, upon the sanctioning pursuant to the Companies Act by the Supreme Court of Bermuda of a compromise or arrangement between the Company and its members or creditors 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;

8.4 where the Grantee is an employee (including any executive Director) or an officer (including any non-executive Director and independent non-executive Director) of the Company or any Subsidiary or any, the date on which the Grantee ceases to be such employee or officer by reason of the termination of his employment or office on any of the following circumstances or the date of occurrence of any of the following circumstances, whichever is earlier:

- (a) he has acted in violation of national laws and regulations, occupational ethics, or negligence of duty or professional misconduct, which causes severe damage

to the interests or the reputation of the Company and causes financial losses, direct or indirect, to the Company;

- (b) he is dismissed due to violation of the Company's rules and regulations and relevant provisions of the Company's reward and punishment, or serious disciplinary violations;
- (c) he has violated laws and disciplinary regulations during his term of office by accepting or asking for bribes, committing corruption, theft, leaking trade and technical secrets of the Company that harm the interest and reputation of the Company and cause direct or indirect damages to the Company's interest;
- (d) he is prosecuted as a result of criminal offence;
- (e) he causes improper losses to the Company as a result of violating the requirements under relevant laws and regulations or the Bye-laws;
- (f) he has been guilty of misconduct;
- (g) he has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally; or
- (h) (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary.

A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 8.4 or that one or more of the grounds specified in this Clause 8.4 has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);

- 8.5 where the Grantee is in an Eligible Relationship (other than in a position as an employee or officer) with the Company or any Subsidiary, the date on which the Grantee ceases to be in such Eligible Relationship with the Company or any Subsidiary for any reason;
- 8.6 where the Grantee commits a breach of Clause 6.1, the date on which the Board shall exercise the Company's right to cancel the Option;
- 8.7 if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or
- 8.8 the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the Grant, if any.

- 8.9 All Options granted and accepted and not then exercised shall lapse automatically at the earliest of the occurrence of one of the foregoing events under this Clause 8 and such Options shall not continue to be valid and exercisable subject to and in accordance with the Scheme.
- 8.10 During the process of implementation of the Scheme, where false statements, misleading statements or material omissions from financial accounting documents or the information disclosure documents of the Company result in non-compliance with conditions of Grant or arrangements for exercise of rights, the Participants shall not exercise the outstanding rights, and the Company shall recover all interests gained/received/obtained by the Participants through relevant Scheme and shall not grant new rights to relevant liable Participants. Any Participant who is not liable for the above matter but has suffered loss resulting from the return of Options may recover his/her loss from the Company or relevant liable Participants in accordance with the Scheme.

## 9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 The limit on the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme, together with all outstanding options granted and yet to be exercised under any other share option scheme(s) of the Company, must not, in aggregate, exceed 10 per cent. (10%) of the number of issued Shares from time to time. No Options may be granted if such grant will result in the said 10-per cent. limit being exceeded.
- 9.2 Subject always to the overall limit provided in Clause 9.1:
- (a) Subject to Clauses 9.2(b) and 9.2(c), the total number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other share option scheme(s) of the Company, must not represent more than 10 per cent. (10%) of the nominal amount of all the issued Shares as at the Adoption Date, and (unless approved pursuant to Clause 9.2(c)) no Options may be granted if such Grant will result in the said 10-per cent. limit being exceeded. Options lapsed in accordance with the terms of the Scheme or any other share option scheme(s) of the Company shall not be counted for the purpose of calculating the said 10-per cent. limit;
  - (b) The Listing Rules provide that the Company may seek approval by its shareholders in general meeting for "refreshing" the 10 per cent. limit under the Scheme in accordance with the provisions of the Listing Rules. Accordingly, if the prior approval of the shareholders of the Company in general meeting is obtained in accordance with the relevant procedural requirements of the Listing Rules to "refresh" the 10-per cent. limit provided in Clause 9.2(a) or to further "refresh" a 10-per cent. limit previously "refreshed" as provided in this Clause 9.2(b) by approving a new 10-per cent. limit (the "**New Refreshed Limit**"), then the total number of Shares which may be issued upon exercise of Options to be granted (and subject to acceptance) on or after the date of such shareholders' approval (the "**Refresher Date**"), together with all options to be granted under any other

share option scheme(s) of the Company on or after the Refresher Date, must not exceed 10 per cent. (10%) of the number of issued Shares as at the Refresher Date (unless approved pursuant to Clause 9.2(c)). Options granted (and subject to acceptance) prior to the Refresher Date under the Scheme or any other share option scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the Scheme or such other scheme(s) of the Company) shall not be counted for the purpose of calculating the New Refreshed Limit. The circular sent by the Company to its shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules;

- (c) The Listing Rules provide that the Company may seek separate approval by its shareholders in general meeting for granting options beyond the relevant 10 per cent. limit under the Scheme to specifically identified Participants in accordance with the provisions of the Listing Rules. Accordingly, if the prior approval of the shareholders of the Company in general meeting is obtained in accordance with the relevant procedural requirements of the Listing Rules, the Board may grant Options to such Participants in respect of such number of Shares and on such terms as may be specified in the said shareholders' approval, notwithstanding that such grant of Options will result in any of the 3-per cent. and 10-per cent. limits referred to in Clauses 9.2(a), (b) and (e) being exceeded;
- (d) If the Company conducts a share consolidation or subdivision after the 10 per cent. limit has been approved in general meeting, the maximum number of securities that may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the 10 per cent. 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; and
- (e) The maximum number of Shares to be issued upon exercise of all the Options granted under the Scheme shall not in aggregate exceed 3 per cent. (3%) of the total Shares in issue of the Company as at the date of approval of the Scheme at a general meeting.

9.3 The total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to each Grantee under this Scheme and any share option scheme(s) of the Company (including both exercised and outstanding Options) in any 12-month period up to the Grant Date to each Grantee must not exceed 1 per cent. (1%) of the aggregate number of Shares for the time being in issue. Where any further Grant to a Grantee would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Grantee (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further Grant representing in aggregate over 1% of the aggregate number of Shares for the time being in issue, such further Grant must be separately approved by shareholders of the Company in general meeting with such Grantee and his associates abstaining from voting. The Company shall issue a circular to its shareholders disclosing the identity of the Grantees, the number and terms of the Options granted and to be granted (including Options previously granted), the

information required under rule 17.02(2)(d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Grantees must be fixed before the approval of the shareholders of the Company is sought and the date of the meeting of the Board for proposing such further Grant should be taken as the Grant Date for the purpose of calculating the Subscription Price.

## **10. REORGANISATION OF CAPITAL STRUCTURE**

10.1 Subject to Clauses 9.1 and 9.2, in the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to outstanding Options;
- (b) the number of Shares subject to the Scheme; and/or
- (c) the Subscription Price in relation to each outstanding Option,

provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this Clause 10.1, other than any made on a capitalisation issue, an independent financial adviser or the Auditor must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso. The capacity and role of the independent financial adviser or the Auditor pursuant to this Clause 10.1 is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditor shall be borne by the Company.

10.2 If there has been any alteration in the capital structure of the Company as referred to in Clause 10.1, the Company shall within 28 days after receipt of a confirmation of the independent financial adviser or the Auditor as referred to in Clause 10.1, inform the Grantee of such alteration and of any adjustment to be made in accordance with the independent financial adviser's or the Auditor's confirmation obtained by the Company for such purposes.

10.3 The following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (a) any issue of securities as consideration in a transaction such as acquisition or private placement of securities;

- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertible securities issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercised of any Options granted pursuant to the Scheme and any previous share option scheme); and
- (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of a market purchase effected on the Stock Exchange pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in general meeting and for the time being in force.

10.4 Subject to other provisions in this Clause 10, if there is any conversion of capital reserve into new shares, issue of bonus shares, share subdivision, share consolidation or rights issue prior to the exercise of the Options, an adjustment to the number of Options shall be made accordingly. The method of adjustment is set out as below:

- (a) *Conversion of capital reserve into new shares, issue of bonus shares or share subdivision*

$$Q = Q_0 \times (1 + n)$$

Where: “Q<sub>0</sub>” represents the number of Options before the adjustment; “n” represents the ratio per Share of the conversion of capital reserve into new shares, issue of bonus shares or share subdivision; “Q” represents the number of Options after the adjustment.

- (b) *Share consolidation*

$$Q = Q_0 \times n$$

Where: “Q<sub>0</sub>” represents the number of Options before the adjustment; “n” represents the ratio of consolidation; “Q” represents the number of Options after the adjustment.

- (c) *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q<sub>0</sub>” represents the number of Options before the adjustment; “P<sub>1</sub>” represents the closing price as at the record date; “P<sub>2</sub>” represents the subscription price; “n” represents the ratio of allotment; “Q” represents the number of Options after the adjustment.

10.5 Subject to other provisions in this Clause 10, if there is any conversion of capital reserve into new shares, issue of bonus shares, share subdivision, share consolidation or rights issue prior to the exercise of the Options, an adjustment to the Subscription Price shall be made accordingly. The method of adjustment is set out as below:

(a) *Conversion of capital reserve into new shares, issue of bonus shares or share subdivision*

$$P = P_0 \div (1 + n)$$

Where: “P<sub>0</sub>” represents the Subscription Price before the adjustment; “n” represents the ratio per Share of the conversion of capital reserve into new shares, issue of bonus shares or share subdivision; “P” represents the Subscription Price after the adjustment.

(b) *Share consolidation*

$$P = P_0 \div n$$

Where: “P<sub>0</sub>” represents the Subscription Price before the adjustment; “n” represents the ratio of consolidation; “P” represents the Subscription Price after the adjustment.

(c) *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P<sub>0</sub>” represents the Subscription Price before the adjustment; “P<sub>1</sub>” represents the closing price as at the record date; “P<sub>2</sub>” represents the subscription price; “n” represents the ratio of allotment; “P” represents the Subscription Price after the adjustment.

## **11. SHARE CAPITAL**

The exercise of any Option shall be subject to the members of the Company 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.

## **12. DISPUTES**

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditor who shall act as experts and not as arbitrators and whose decision shall be final and binding.



### **13. CANCELLATION**

- 13.1 The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.
- 13.2 Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10-per cent. limits as referred to in Clauses 9.2.

### **14. ALTERATION OF THE SCHEME**

- 14.1 If the Company intends to amend the Scheme before it is considered at the general meeting, the amendment made to the Scheme shall be reviewed and approved by the Board.
- 14.2 Except as provided in the Scheme or as authorised by the general meeting, any amendments made by the Company after the Scheme has been considered and approved at the general meeting shall be reviewed and approved by the general meeting and shall not include the following situations:
- (a) leading to the early exercise of the Options;
  - (b) leading to a reduction in Subscription Price.
- 14.3 No such alteration as referred to in Clause 14.1 and 14.2 shall operate to affect adversely the terms of issue of any Option granted to any Participant for acceptance prior to such alteration, except:
- (a) in the case of the cancellation of any Option, with the consent of the Grantee concerned;
  - (b) in the case of an alteration (other than as referred to in Clause 14.3(a)) affecting some but not all outstanding Options, with the written consent or sanction of such number of Grantees as shall together hold Options of the class affected in respect of not less than three fourths in nominal value of all Shares then the subject of such Options or with the sanction, given by resolution at a meeting of the relevant Grantees, passed by such majority of Grantees in respect of the nominal value of all Shares then the subject of the outstanding Options of the class affected as would be required at a meeting of the shareholders of the Company under the Bye-laws for a variation of rights attached to the Shares;
  - (c) in the case of an alteration (other than as referred to in Clause 14.3(a)) affecting all Options, with the written consent or sanction of such number of Grantees as shall together hold Options in respect of not less than three fourths in nominal value of all Shares then the subject of such Options or with

the sanction, given by resolution at a meeting of the Grantees passed by such majority of the Grantees in respect of the nominal value of all Shares then the subject of the outstanding Options as would be required at a meeting of the shareholders of the Company under the Bye-laws for a variation of rights attached to the Shares.

- 14.4 A meeting of Grantees for the purposes of considering a resolution to sanction an alteration, as envisaged in Clauses 14.3(b) and 14.3(c) may be convened by the Board and to any such meeting all the provisions of the Bye-laws as to general meetings of the shareholders of the Company shall apply, mutatis mutandis, as though the Options concerned were a class of shares forming part of the capital of the Company, save that:
- (a) not less than 21 days' notice of such meeting shall be given;
  - (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options (of the type affected) entitling them to the issue of one-third in nominal value of all Shares which would fall to be issued upon the exercise in full of all such Options then outstanding;
  - (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll to one vote for each Share to which he would be entitled upon exercise in full of all his Options of the type concerned;
  - (d) any Grantee present in person or by proxy may demand a poll; and
  - (e) if any such meeting is adjourned for want of a quorum such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum. At least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting but such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.
- 14.5 Any alterations to the terms and conditions of the Scheme which are of a material nature or any change to the terms of Options granted must first be approved by the shareholders of the Company in general meeting, except where such alterations take effect automatically under the existing terms of the Scheme.
- 14.6 The amended terms of the Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 14.7 Any change to the authority of the Board or the administrators of the Scheme in relation to any alteration to the terms of the Scheme must first be approved by the shareholders of the Company in general meeting.

## 15. TERMINATION

- 15.1 If any of the following events occur in relation to the Company, the Scheme shall be terminated but the provisions of the Scheme shall remain in force in all other respects, and once the resolution in relation to the termination of the Scheme due to any of the following events is considered and approved by the Board or the general meeting of the shareholders of the Company, within one (1) year after the effective date of the resolution of the Board or the general meeting of the shareholders of the Company, no new Options shall be granted to the Participants while the Participants shall not exercise any Options or obtain any gains under the Scheme:
- (a) violation of applicable laws and regulations in the PRC and/or Hong Kong, documents published by the Guangxi SASAC or provisions of the Bye-laws;
  - (b) failure to engage an auditor to carry out audit work in accordance with the relevant procedures and requirements;
  - (c) issue of an auditors' report by a certified public accountant with an adverse opinion or a disclaimer of opinion with respect to the annual financial report or the internal control review report of the Company;
  - (d) the Guangxi SASAC or the National Audit Office of the PRC raising material objections to the financial results or the annual financial report of the Company; or
  - (e) imposition of penalties by securities regulatory authorities or other relevant departments due to serious violations by the Company.

Notwithstanding the above provisions in this Clause 15.1, the Company by resolution passed at a general meeting of its shareholders (if after the Scheme has been approved in the general meeting) or at a meeting of the Board (if before the Scheme has been approved in the general meeting) may at any time terminate the operation of the Scheme and in such event no further Options will be granted or accepted under the Scheme.

- 15.2 All Options granted and accepted prior to the termination above and not then exercised shall not continue to be valid and exercisable subject to and in accordance with the Scheme, as well as the Company Law of the PRC. The Board shall, in accordance with the provisions of the preceding Clauses and the relevant arrangements of the Scheme, recover the income gained/received/obtained by the Participants.
- 15.3 Within three (3) months after the date of the publication of the announcement about passing the resolution to terminate the Scheme in accordance with this Clause 15, no other share option scheme can be proposed to the general meeting for approval or disclosed the same to the public.

## **16. MISCELLANEOUS**

- 16.1 The Company shall bear the costs of establishing and administering the Scheme.
- 16.2 The Scheme shall not form part of any contract, agreement or arrangement governing the Eligible Relationship between the Company or any Subsidiary and any Participant and the rights and obligations of any Participant under the terms of such contract, agreement or arrangement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such Eligible Relationship for any reason.
- 16.3 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, other than in relation to the rights attached to the Options themselves, give rise to any cause of action at law or in equity against the Company.
- 16.4 A Grantee shall be entitled to receive for information only copies of all notices and other documents sent by the Company to holders of Shares generally.
- 16.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong at as notified by the Company from time to time.
- 16.6 Any notice or other communication served:
- (a) by the Company shall, if served by post, be deemed to have been served 24 hours after the same was put in the post or, if delivered by hand, be deemed to be served when delivered; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 16.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 16.8 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Scheme or the exercise of any Option.
- 16.9 A Grantee who is a Director of the Company may, subject to and in accordance with the Bye-laws and subject as herein otherwise provided, notwithstanding his interest, vote on any Board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefits under the Scheme.

16.10 If any dispute arises between the Company and the Participant over matters in this Scheme, such dispute shall be governed and construed in accordance with the laws of Hong Kong and other relevant and applicable laws and regulations in all relevant jurisdictions, and the company and the Participant may resolve it by way of negotiation or mediation. If they are unwilling to resolve such dispute by way of negotiation or mediation, or if negotiation or mediation fails, they may apply to the relevant arbitration centre for arbitration in accordance with the written arbitration agreement reached such negotiation or mediation. If a written arbitration agreement is not reached within twenty-eight (28) days after such negotiation or mediation, either party may bring the case to the people's court/any court with jurisdiction in the place where the Company operates.