

SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

SHARE OPTION SCHEME
adopted on [2 November 2021]

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SMARTONE TELECOMMUNICATIONS HOLDINGS LIMITED

SHARE OPTION SCHEME

1. DEFINITIONS AND INTERPRETATION

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

“Adoption Date”	[2 November 2021] (the date on which the Scheme is conditionally adopted by resolution of the Shareholders in general meeting);
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of directors of the Company or a duly authorised committee thereof;
“Business Day”	a day on which the Stock Exchange is open for the trading of securities;
“Bye-laws”	the bye-laws of the Company (as amended from time to time);
“close associate”	has the meaning ascribed thereto in the Listing Rules;
“Companies Act”	the Companies Act 1981 of Bermuda;
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	SmarTone Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“core connected person”	has the meaning ascribed thereto in the Listing Rules;

“Grantee”	any Participant who accepts the offer of the grant of any Option in accordance with the terms of the Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its Subsidiaries;
“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 may be amended, supplemented or modified from time to time, which are applicable to companies listed on the main board of the Stock Exchange;
“Offer Date”	the Business Day on which the offer of an Option is made to a Participant as determined in accordance with Clause 4.3;
“Option”	an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
“Option Period”	a period, in relation to any Option, to be notified by the Board to the Grantee, which shall not be more than ten (10) years from the Offer Date;
“Participant”	any employee, agent, consultant or representative of the Company or any of the Subsidiaries, including any director of the Company or any of the Subsidiaries who has made valuable contribution to the growth of the Group based on his work experience, industry knowledge, performance, business connections or other relevant factors;
“Scheme”	this share option scheme in its present or any amended form;
“Scheme Period”	the period of ten (10) years commencing on the Adoption Date;
“Share(s)”	ordinary share(s) of \$0.10 each (or of such other nominal or par value as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s)

“SHKP”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange, being the Company's holding company for the time being;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 5, subject to adjustment in accordance with the terms of the Scheme, but in any event such price shall not be less than the nominal or par value of a Share;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of section 15 of the Companies Ordinance or section 86 of the Companies Act) of the Company whether incorporated in Hong Kong, Bermuda or elsewhere;
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules;
“\$”	Hong Kong dollars; and
“%”	per cent.

- 1.2 The purpose of the Scheme is to provide incentive to Participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group or are expected to be able to contribute to the business development of the Group.
- 1.3 In this Scheme any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions 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 or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision.
- 1.4 References to any document (including this 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 this Scheme unless the context requires otherwise.
- 1.6 Headings are inserted for convenience only and shall not affect the construction of this 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 References to “**persons**” shall include individuals, bodies corporate, unincorporated associations and partnerships (whether or not having separate legal personality).

2. CONDITIONS

- 2.1 The Scheme shall take effect subject to: (a) the passing by the Shareholders in general meeting of ordinary resolutions approving the adoption of the Scheme; (b) the passing by the shareholders of SHKP in general meeting of ordinary resolutions approving the adoption of the Scheme; and (c) the Listing Committee of the Stock Exchange granting approval of listing of, and permission to deal in, any Shares which may fall to be issued upon the exercise of the Options that may be granted under the Scheme. If such conditions are not fulfilled as aforesaid:

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

3. DURATION AND ADMINISTRATION

- 3.1 Subject to Clauses 2 and 14, the Scheme shall be valid and effective for the Scheme Period, after which period no further Options will be issued, and thereafter for so long as there are outstanding any unexercised Options granted pursuant thereto and in order to give effect to the exercise of any such Options or otherwise as may be required in accordance with the provisions of the Scheme.
- 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 to offer to grant to any Participant who, in the absolute discretion of the Board, has made a valuable contribution to the growth of the Group based on his performance and/or periods of service, or is regarded as valuable to the Group based on his work experience, industry knowledge or other relevant factors, or is expected to be able to contribute to the business development of the Group based on his business connections 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 the Board shall not offer to grant any Participant an Option if a prospectus is required to be issued in connection with such grant under the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Companies Act.

- 4.2 The Board shall not offer the grant of an Option to any Participant:
- (a) after inside information (has the meaning defined in the Securities and Futures Ordinance as amended from time to time) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or
 - (b) within the period commencing one month immediately before the earlier of: (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. For the avoidance of doubt, if there is any delay in publishing a results announcement, the period shall end on the actual date of publication of the results announcement.
- 4.3 An offer of the 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 offer is made), in such form as the Board may from time to time determine, specifying, inter alia, the number of Shares comprised in the Option, its Option Period and the Subscription Price and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme. The offer shall be personal to the Participant concerned and not transferable and shall remain open for acceptance by the Participant for a period of twenty-eight (28) days from the Offer Date, 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 Clause 14.
- 4.4 An Option shall be deemed to have been accepted when the duplicate of the offer letter, comprising acceptance of the Option, duly signed by the Grantee together with a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof is received by the Secretary of the Company within the period referred to in Clause 4.3. The remittance shall not be refundable. Once such acceptance is made, the Option shall be deemed to have been granted and to have taken effect from the Offer Date.
- 4.5 An offer of an Option may be accepted in respect of less than the total number of Shares in respect of which it is offered, provided that it is accepted in respect of such number of Shares and such number is clearly stated in the duplicate letter received by the Secretary of the Company referred to in Clause 4.4. To the extent that the offer of the grant of an Option is not accepted within twenty-eight (28) days from the Offer Date in the manner indicated in Clause 4.4, it will be deemed to have been irrevocably declined.
- 4.6 Where any offer of the grant of Options is proposed to be made to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, such offer must first be approved by the independent non-executive directors of the Company (excluding, if applicable, the independent non-executive director who is the Grantee of the Options).

- 4.7 Without prejudice to the generality of Clause 4.6, where any offer of the grant of Options is proposed to be made to 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 to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such offer: (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of offer, in excess of \$5 million, such offer of grant must first be approved by the Shareholders in general meeting. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules (in its current form or as amended from time to time) when conducting the general meeting. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.
- 4.8 Any change in the terms of Options granted to a Grantee who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting as required under Clause 4.7.

5. SUBSCRIPTION PRICE

- 5.1 The Subscription Price shall be determined by the Board and notified to a Participant at the time of offer of the Option(s) (subject to any adjustments made pursuant to Clause 9) and shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the Offer 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 Business Days immediately preceding the Offer Date; and (c) the nominal or par 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, 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. Any breach of the foregoing shall entitle the Board to cancel any outstanding Option, or any part thereof, granted to such Grantee.
- 6.2 An Option may be exercised in whole or in part in the manner provided in Clause 6.3 by the Grantee (or, as the case may be, by his legal personal representative(s)) giving notice in writing (or in any other formats acceptable to the Company from time to time) 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 purpose of determining the date on or by which an Option is or has been exercised under this 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 been received by the Secretary of the Company. Within twenty-eight (28) days

after receipt of the notice and the remittance and, where appropriate, receipt of the independent financial adviser's or the Auditors' confirmation pursuant to Clause 9, the Company shall allot the relevant number of Shares to the Grantee or his legal personal representative(s) credited as fully paid and issue to the Grantee or his legal personal representative(s) share certificate(s) in respect of the Shares so allotted.

6.3 Subject as hereinafter provided in this Scheme, the Option may be exercised by the Grantee at any time during the Option Period provided that:-

- (a) in the case where the Grantee is an employee (including any director) of the Company or a Subsidiary and the Grantee ceases to be an employee of the Company or the Subsidiary by reason of death, retirement or being totally permanently physically or mentally disabled and none of the events which would be a ground for termination of his employment specified in Clause 7.1(d)(ii) has occurred, the Grantee or, as the case may be, his legal personal representative(s) 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 twelve (12) months from the date of his ceasing to be an employee of the Company or the Subsidiary to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option;
- (b) if a general offer to acquire Shares (whether by takeover offer, merger, privatisation proposal between the Company and its members or otherwise but excluding any compromise or arrangement referred to in Clause 6.3(d)) 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) 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 fourteen (14) days (or such longer period as the Board shall decide) after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse;
- (c) if notice is duly given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, every Option shall be exercisable in whole or in part (but so that any exercise hereunder shall only be valid if, at the time of such notice, the Option shall not have lapsed and determined in accordance with the provisions of the Scheme) not later than two Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting or such time as shall be notified by the Company, after which all Options shall, to the extent that they have not been exercised, lapse and determine; and
- (d) if under section 99 of the Companies Act a compromise or arrangement between the Company and its members 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, the Company shall give notice thereof to all Grantees on the same date as it

despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted his personal representatives) may forthwith but no later than five Business Days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting or such time as shall be notified by the Company be entitled to exercise his Option, after which all Options shall lapse except insofar as previously exercised under this Clause 6.3(d). The Company may thereafter require each Grantee 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.

- 6.4 Unless otherwise determined by the Board and specified in the offer letter (as referred to in Clause 4.3) at the time of offer, there is neither any performance target that needs to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.
- 6.5 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date 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 with such Shares being so registered in 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 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 on or before the date of allotment.
- 6.6 A Share issued upon the exercise of an Option shall not carry voting rights until the registration of the Grantee (or any other person) as the holder thereof.
- 6.7 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.

7. LAPSE OF OPTION

- 7.1 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) or 6.3(d);
 - (c) subject to Clause 6.3(c), the date of commencement of the winding-up of the Company;

- (d) in the case where the Grantee is an employee (including any director) of the Company or any Subsidiary and he ceases to be an employee of the Company or the relevant Subsidiary:
- (i) by reason of the Grantee's resignation, whether or not in accordance with the provisions of his service contract, the last actual working day of the Grantee with the Company or the relevant Subsidiary (whether salary is paid in lieu of notice or not);
 - (ii) by reason of the Grantee being dismissed by the Company or the relevant Subsidiary on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground which an employer would be entitled to terminate his employment under common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary, the day on which the Grantee ceases to be an employee of the Company or the relevant Subsidiary or the day on which the employer serves notice to dismiss the Grantee, whichever is the earlier. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 7.1(d)(ii) or that one or more of the grounds specified in this Clause 7.1(d)(ii) has arisen in respect of the employment of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s); or
 - (iii) by reason of the Grantee being dismissed by the Company or the relevant Subsidiary other than termination of his employment on one or more of the grounds specified in Clause 7.1(d)(ii), the last actual working day of the Grantee with the Company or the relevant Subsidiary (whether salary is paid in lieu of notice or not);

(For the purposes of this Clause 7.1(d), a Grantee shall not be regarded as ceasing to be an employee of the Company or Subsidiary and shall continue to be an employee of the Company or Subsidiary if he is transferred to a different position of employment with the Company or Subsidiary, as the case may be.)

- (e) in the case where the Grantee is an agent, consultant or representative of the Company or any Subsidiary, the date on which such person ceases to be an agent, consultant or representative of the Company or the Subsidiary; or
- (f) where the Grantee commits a breach of Clause 6.1, the date on which the Board exercises the Company's right to cancel the Option.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 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 schemes of the Company must not in aggregate exceed [111,098,860] Shares, representing 10% of the Shares in issue as at the Adoption Date. Options lapsed in accordance with the terms of the Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.
- 8.2 The Company may seek approval by the Shareholders in general meeting for refreshing the 10% limit under the Scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.
- 8.3 The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit provided the Options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.
- 8.4 The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.
- 8.5 If the Company conducts a consolidation or subdivision of Shares after the 10% limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the 10% limit as a percentage of the total number of Shares in issue at the date immediately before and after such consolidation or subdivision shall be the same.
- 8.6 The maximum entitlement of each Participant under the Scheme is that the total number of Shares issued and to be issued upon exercise of the Options granted to such Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further offer of the grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further offer representing in aggregate over 1% of the Shares in issue, such further offer of grant must be separately approved by the Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders containing the information required under the Listing Rules.

9. REORGANISATION OF CAPITAL STRUCTURE

9.1 In the event of any alteration in the capital structure of the Company (whilst any Option remains exercisable) arising from capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company, or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange excluding any alteration on the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction, such corresponding adjustments (if any) shall be made in:

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

provided that the proportion of issued share capital of the Company to which the Grantee is entitled after the adjustment is the same as that to which he was entitled prior to the adjustment and that no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal or par value. In respect of any adjustment required by this Clause 9, other than any made on a capitalisation issue, an independent financial adviser or the Auditors 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 Auditors pursuant to this Clause 9 is that of experts and not of arbitrators and their confirmation shall be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company.

9.2 If there has been any adjustment in the capital structure of the Company as referred to in Clause 9.1, the Company shall within twenty-eight (28) days after receipt of confirmation of the independent financial adviser or the Auditors as referred to in Clause 9.1, inform the Grantee of such adjustment and of any adjustment to be made in accordance with the independent financial adviser's or the Auditors' confirmation obtained by the Company for such purposes.

10. SHARE CAPITAL

10.1 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 in connection with the exercise of Options.

11. DISPUTES

11.1 The decision of the Board in any dispute arising in connection with the Scheme (whether as to the number of Shares which form the subject of an Option, the amount of the Subscription Price or otherwise) shall be final and binding on the Grantees, subject

to the prior receipt of a statement in writing from the independent financial adviser or the Auditors if so required by Clause 9.1.

12. CANCELLATION

12.1 Where it is desired that any Options granted but not exercised should be cancelled, the Board may effect such cancellation in a manner that complies with any legal requirements for such cancellation.

13. ALTERATION OF THE SCHEME

13.1 Subject to Clauses 13.2, 13.4, 13.5, 13.6 and 13.7, the Scheme may be altered in any respect by resolution of the Board without first obtaining Shareholders' approval given by resolution passed at a general meeting.

13.2 No such alteration as referred to in this Clause 13 shall operate to affect adversely the terms of issue of any Option granted or offered to any Participant for acceptance prior to such alteration, except in the case of an alteration 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 or par value of all Shares which form the subject of such Options.

13.3 A meeting of Grantees for the purposes of considering a resolution to sanction an alteration, as envisaged in Clause 13.2, may be convened by the Board and to any such meeting all the provisions of the Bye-laws as to general meetings of Shareholders 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 seven (7) 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 tenth in nominal or par 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.

- 13.4 The provisions of the Scheme as to:
- (a) the definitions of “Grantee” and “Option Period” and “Participant” and “Scheme Period” in Clause 1.1; and
 - (b) the provisions of Clauses 1.2, 3.1, 4.1, 4.3, 4.4, 4.6, 4.7, 4.8, 5, 6, 7, 8, 9, 12 and this Clause 13 and Clause 14,

shall not be altered to the advantage of the Participants except with the prior sanction of a resolution of the Shareholders in general meeting.

- 13.5 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 be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Scheme.
- 13.6 The amended terms of the Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules (in its current form or as amended from time to time).
- 13.7 Any change to the authority of the directors of the Company in relation to any alteration to the terms of the Scheme under Clause 13.1 must be approved by the Shareholders in general meeting.

14. TERMINATION

- 14.1 The Company may at any time terminate the operation of the Scheme by way of a resolution passed at a general meeting of its shareholders or at a meeting of the Board except that all Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

15. MISCELLANEOUS

- 15.1 The Company shall bear the costs of establishing and administering the Scheme.
- 15.2 The Scheme shall not form part of any contract of employment, agency, consultancy or representation between the Company or any Subsidiary (as the case may be) and any Participant and the rights and obligations of any Participant under the terms of his office, employment, agency, consultancy or representation 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 office, employment, agency, consultancy or representation for any reason.
- 15.3 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.

- 15.4 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong from time to time and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.
- 15.5 Any notice or other communication served:
- (a) by the Company shall, if served by post, be deemed to have been served twenty-four (24) hours after the same was put in the post or, if delivered by hand, be deemed to have been served at the time of delivery or, if sent electronically, be deemed to have been served at the time of transmission if no delivery failure notification is received by the sender twenty-four (24) after transmitting the message; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 15.6 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The 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.
- 15.7 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.
- 15.8 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.
- 15.9 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.