

VIRTUAL MIND HOLDING COMPANY LIMITED

天機控股有限公司

(incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

I, Li Yang, the Chairman of the Board and an executive director of Virtual Mind Holding Company Limited 天機控股有限公司, hereby certify that pursuant to paragraph 2.4 of the rules of the Share Option Scheme hereto attached, that the condition set out in paragraph 2.1(b) of such rules was satisfied on the date set out below and that such date is the “Adoption Date” as defined in such rules:

Adoption Date: 9 June 2023

Name : Li Yang

Position : Chairman & Director

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1. **DEFINITIONS**

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

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| “this Scheme” | this Share Option Scheme (involving the grant of options over Shares) in its present form or as may be amended from time to time in accordance with paragraph 14. |
| “1% Individual Limit” | shall bear the meaning as defined in paragraph 9.4. |
| “Adoption Date” | the date on which this Scheme is adopted upon fulfilment of the condition set out in paragraph 2.1(b). |
| “associate” | shall bear the meaning as defined in the Listing Rules. |
| “Auditors” | the auditors for the time being of the Company. |
| “Business Day” | any day on which the Stock Exchange is open for the business of dealing in securities. |
| “close associate” | shall bear the meaning as defined in the Listing Rules. |
| “connected person” | shall bear the meaning as defined in the Listing Rules. |
| “core connected person” | shall bear the meaning as defined in the Listing Rules. |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time. |
| “Company” | Virtual Mind Holding Company Limited 天機控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability. |
| “Directors” | the directors of the Company for the time being or a duly authorised committee thereof or, as the case may be, where a decision or determination under this Scheme is required to be made by the INEDs or the Remuneration Committee under the Listing Rules, a committee thereof. |
| “Eligible Participants” | the persons who may be invited by the Directors to take up Options as referred to in paragraph 4.1, and “Eligible Participant” shall be construed accordingly. |
| “Grant” | including “offer”, “issue” and grant of options under this Scheme. |

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| “Grantee” | any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in paragraph 7.4(a)) his Personal Representative. |
| “Group” | the Company and the Subsidiaries and “member(s) of the Group” shall be construed accordingly. |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China. |
| “INED(s)” | independent non-executive director(s) of the Company from time to time. |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange. |
| “Offer” | an offer for the grant of an Option made in accordance with paragraph 4.4. |
| “Offer Date” | the date, which must be a Business Day, on which an Offer is made to an Eligible Participant. |
| “Option” | an option to subscribe for the Shares granted pursuant to this Scheme. |
| “Option Period” | in respect of any particular Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of paragraph 8; and (ii) 10 years from the Offer Date of that Option. |
| “Participant Vehicle” | shall bear the meaning as defined in paragraph 7.1(b). |
| “Personal Representative(s)” | the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised). |
| “PRC” | The People’s Republic of China and for the purpose of this Scheme, does not include Hong Kong, the Macau Special Administrative Region and Taiwan. |
| “Remuneration Committee” | the remuneration committee established by the board of Directors from time to time. |

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| “Scheme Mandate Limit” | shall bear the meaning as defined in paragraph 9.1. |
| “Senior Manager” | a senior manager disclosed in the Company’s annual report as required under paragraph 12 of Appendix 16 to the Listing Rules (as may be amended from time to time). |
| “Service Provider Sublimit” | shall bear the meaning as defined in paragraph 9.2. |
| “Share(s)” | share(s) of \$0.01 each of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction. |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited or other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Directors) on which the Shares are for the time being listed or traded. |
| “Subscription Price” | the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option, as determined in accordance with paragraph 6.1. |
| “Subsidiaries” | the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the Cayman Islands, PRC or elsewhere, and “Subsidiary” shall be construed accordingly. |
| “Termination Date” | close of business of the Company on the date which falls ten (10) years after the Adoption Date. |
| “Vesting Date” | in relation to any Grantee, the earliest date stated in the Offer on which the Option (or a tranche thereof) granted to him may be exercised by such Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Option. |
| “Vesting Period” | in relation to any Grantee, the period commencing on the date on which the Grantee accepts the Option granted to him and ending on the Vesting Date (both dates inclusive). |
| “\$” | Hong Kong dollars, the lawful currency of Hong Kong. |

1.2 In this Scheme :

- (a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing one gender include both genders and the neuter and vice versa;
- (e) references to persons include bodies corporate and unincorporated;
- (f) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. CONDITIONS

2.1 This Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit (as defined in paragraph 8.1) to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme; and
- (b) the passing of the necessary resolution(s) to approve and adopt this Scheme in general meeting or by way of written resolution(s) of all shareholder(s) of the Company.

2.2 If the conditions referred to in paragraph 2.1 are not satisfied on or before the date falling 30 days after the date of the prospectus of the Company in connection with its application for listing of the Shares on the Stock Exchange, this Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.

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

2.4 A certificate of a Director that the conditions set out in paragraph 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions

have not been satisfied as of any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.

3. **PURPOSE, DURATION AND ADMINISTRATION**

- 3.1 The purposes of this Scheme are (i) to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the Grantees with those of the Shareholders to promote the long-term financial and business performance of the Company. LR17.03(1)
- 3.2 This Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to this Scheme or their interpretation or effect shall (save for the grant of Options referred to in paragraph 4.2 which shall be approved in the manner referred to therein, or save as otherwise provided herein) be final and binding on all persons who may be affected thereby.
- 3.3 Subject to paragraphs 2 and 15, this Scheme shall be valid and effective until the Termination Date, after which period no further Options may be issued but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the vesting and exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. LR17.03(11)
- 3.4 A Grantee shall ensure and, by accepting an Offer, shall be deemed to have represented and undertaken to the Company, that the acceptance of an Offer, the vesting, holding and exercise of his Option in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Option and the holding of such Shares are and will be valid and will comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require an Eligible Participant to produce such evidence as they may reasonably require for such purpose.

4. **GRANT OF OPTIONS**

- 4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of this Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares at such Subscription Price as the Directors shall, subject to paragraph 10, determine: LR17.03(11)
- (a) ***Employee Participant***, being an employee, director or officer of the Group (including a person who is granted Options under this Scheme as an inducement to enter into employment contract with the Company or the relevant member(s) of the Group); LR17.03(2)
LR17.03A(1)

- (b) **Related Entity Participant**, being an employee, director or officer of the following: a “holding company” of the Company (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)); a “subsidiary” of a holding company of the Company (as defined in the SFO) other than the Group; or an “associate” of the Company (as defined in the Listing Rules); and
- (c) **Service Provider Participant**, being a person (including an entity) that falls under one of the below sub-categories and that provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board:

LR17.03A(2)

| | Category | Eligibility |
|-------|-------------------|---|
| (i) | Consultants | person (as independent contractor, consultant, advisor or otherwise), that provides support or any advisory, consultancy, professional or other services to any members of the Group on a regular or recurring basis, who are not engaged as employees of the Group, and have specialties or expertise in areas that supplement the Group’s operations (for example, consultants in the areas of intellectual property (“IP”) application, media and promotion, strategic or commercial planning) |
| (ii) | Suppliers | supplier of goods or services to any member of the Group on a regular or recurring basis (for example, retailers that the Group collaborates with for its IP application and product commercialisation), with which the Group would consider important to maintain a close business relationship on an ongoing basis |
| (iii) | Business partners | business partner, including joint venture partner, franchisee, contractor, agent or other contractual party, of any members of the Group that work with the Group on a regular or recurring basis (for example, long-term business promoters and collaborators), with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis |

For the avoidance of doubt, (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers (such as the auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity, be excluded.

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under this Scheme.

- 4.2 Without prejudice to paragraph 9.4 below, the making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the INEDs (excluding any INED who or whose associate is the proposed Grantee of the Options). The requirements for the Grant to a Director or chief executive of the Company set out in this paragraph 4.2 do not apply where the Eligible Participant is only a proposed Director or proposed chief executive of the Company. LR17.04(1)
- 4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group. LR17.03(2)
- 4.4 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares, the Option Period and the Vesting Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.
- 4.5 An Offer shall state, in addition to the matters specified in paragraph 4.4, the following:
- (a) the name, address and position of the Eligible Participant;
 - (b) the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
 - (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;
 - (d) the earliest Vesting Date (and other subsequent Vesting Date(s), if any) on which the Grantee may exercise the Option granted to him and subscribe for Shares (or, as the case may be, separate tranches of Shares) comprised in the Offer;
 - (e) the last date by which the Offer must be accepted (which may not be later than 21 days from the Offer Date);
 - (f) the procedure for acceptance;
 - (g) the performance target(s) (if any, including without limitation those as mentioned in Section 4A of this Scheme) that must be attained by the Eligible Participant before any Option can be exercised;

- (h) such other terms and conditions of the Offer as may be imposed by the Directors (or (i) in respect of Employee Participants, by the Remuneration Committee, or (ii) in respect of particular Eligible Participant as provided in this Scheme, by the INEDs) as are not inconsistent with this Scheme; and
 - (i) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme including, without limitation, the conditions specified in paragraphs 3.4, 7.1, 16.9 to 16.11, inclusive.
- 4.6 An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable. LR17.03(8)
- 4.7 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable. LR17.03(8)
- 4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.6 or 4.7, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.6 or 4.7, it will be deemed to have been irrevocably declined.
- 4.9 The Option Period of an Option may not end later than ten (10) years from the Offer Date of that Option. LR17.03(5)
- 4.10 The Vesting Period in respect of any Option granted to any Eligible Participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is: LR17.03(6)
LR17.03F
 - (a) an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the Remuneration Committee shall, or
 - (b) an Employee Participant who is not a Director nor a Senior Manager specifically identified by the Company, the Directors shall

have the authority to determine a shorter Vesting Period under the following specific circumstances:

- (i) grants of “make-whole” Options to a new Employee Participant to replace awards or options such Employee Participant forfeited when leaving his previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (iv) grants that are made in batches during a year for administrative and compliance reasons; or
- (v) grants of Options with a mixed or accelerated vesting schedule such that the Options vest evenly over a period of 12 months.

4.11 Options will not be listed or dealt in on the Stock Exchange.

4.12 For so long as the Shares are listed on the Stock Exchange:

- (a) the Directors may not make any Offer to an Eligible Participant after inside information has come to the Company’s knowledge until (and including) the trading day after it has announced the information. In particular, no Offer may be made during the period commencing one (1) month immediately before the earlier of:
 - (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to 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; and for the avoidance of doubt, no Offer may be made during any period of delay in publishing a results announcement; and

- (b) the Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

LR17.05
& Note

5. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

5.1 Subject to the terms and conditions of this Scheme,

- (i) in respect of any Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may; or
- (ii) in respect of any other Employee Participant, the Directors may;
- (iii) in respect of any Service Provider, the Directors (after having obtained the affirmative views from the INEDs) may

establish performance targets against the attainment of which the Options granted to the Eligible Participant concerned may be exercised either in whole or in part, and such performance targets (if set) shall be stated in the Offer. The Directors shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during an Option Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Directors.

LR17.03(7)

5.2 The term “**performance targets**” shall mean any one or more performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole or to a subsidiary, division, department, region, function or business unit of the Company or the relevant Service Provider Participant, which may be based on financial, business and/or operational performances, in each case as specified by the Directors (or, as the case may be, the Remuneration Committee) in their sole discretion.

5.3 Notwithstanding the terms and conditions of this Scheme, the Directors may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in paragraph 5.4 shall occur.

5.4 In respect of any Option which is performance linked as referred to in paragraph 5.1, if any of the following events (“**Clawback Event**”) shall occur during an Option Period:

LR17.03(19)

- (i) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or
- (ii) the Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or;
- (iii) if a Grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Options (to the extent not being exercised)

granted as the Directors may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to this paragraph 5.4 will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

6. **SUBSCRIPTION PRICE**

6.1 Subject to paragraph 6.2, the Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 10, be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet 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) (where applicable) the nominal value of a Share.

LR17.03(9)
LR17.03E

7. **EXERCISE OF OPTIONS**

- 7.1 (a) Subject to paragraph 7.1(b) below, an Option shall be personal to the Grantee and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.
- (b) Where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Option held by a Grantee may be allowed to be transferred to a vehicle (such as a trust or a private company, "**Participant Vehicle**") for the benefit of the Grantee and any family members of such Grantee (for purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of this Scheme and comply with the requirements of Chapter 17 of the Listing Rules. In connection with the application for the above consent from the Directors and the above waiver from the Stock Exchange, the Grantee shall (b-1) provide information on the beneficiaries or discretionary objects of the trust or the ultimate beneficial owners of the transferee vehicle, as well as such other information as may be required by the Directors or the Stock Exchange, and (b-2) consent to the disclosure of such information in the announcement, circular and/or report to be published by the Company. The Participant Vehicle shall comply with paragraph 7.1 (a) and other provisions of this Scheme shall apply, *mutatis*

LR17.03(17)
& Note

mutandis, to the Participant Vehicle.

- (c) Any breach of the provisions under paragraph 7.1(a) by a Grantee shall entitle the Company to cancel all unvested Options granted to such Grantee and to cancel any vested Option granted to such Grantee to the extent not already exercised. LR17.03(14)
- 7.2 Subject to paragraph 4.10, and unless otherwise determined by the Directors and stated in the Offer to a Grantee, (i) a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him; and (ii) any Option granted is not subject to the clawback mechanism referred to in paragraph 5. LR17.03(6)
LR17.03(7)
LR17.03(19)
- 7.3 Subject to paragraphs 3.4 and 16.9 and the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 7.4 and 7.5 by 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 so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for Shares in respect of which the notice is given. Within 21 days (7 days in the case of an exercise pursuant to paragraph 7.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 10, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 7.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for the Shares so allotted and issued.
- 7.4 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

 - (a) if the Grantee is an Employee Participant and in the event of his ceasing to be an Employee Participant by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before exercising the Option in full:

 - (aa) his Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 7.4(c) or

7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4 (c) or 7.4 (d) respectively;

- (bb) in respect of those Options that have met the earliest Vesting Date as stated in the Offer but have not been vested because the performance targets stated in the Offer have not been satisfied, the Directors may, by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the Grantee or, his Personal Representative, may exercise such number of Options and within such time as the Directors may consider appropriate, subject to any conditions or limitations as they may impose.

For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall be forfeited and cancelled on the date of cessation of employment;

- (b) if the Grantee is an Employee Participant and in the event of his ceasing to be an Employee Participant for any reason other than his death, ill-health, disability or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 8.1(c) before exercising the Option in full, the Option (to the extent vested and not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph 7.4(c) or 7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4(c) or 7.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and cancelled on the date of cessation or termination of employment; LR17.03(12)
- (c) if a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders of the Company, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent vested and not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 7.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record LR17.03(12)

date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be;

- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent vested and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 7.3 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one (1) Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and terminate on the commencement of the winding-up; and

LR17.03(12)

- (e) if the Grantee is a Participant Vehicle:

- (i) the provisions of paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall apply to the Grantee and to the Options granted to such Grantee, *mutatis mutandis*, as if such Options had been granted to the relevant individual Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall occur with respect to the relevant individual Eligible Participant; and
- (ii) the Options granted to the Grantee shall lapse and terminate on the date the Grantee ceases to be wholly owned by the relevant individual Eligible Participant(s) (or, where the Grantee is originally a trust of which the relevant individual Eligible Participant is a beneficiary or discretionary object, on the date the relevant individual Eligible Participant ceases to be a beneficiary or discretionary object) provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or terminate subject to such conditions or limitations as they may impose.

LR17.03(12)

- 7.5 Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after

LR17.03(10)
LR17.03(15)

the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

8. EARLY TERMINATION OF OPTION PERIOD

- 8.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of: LR17.03(12)
- (a) the expiry of the Option Period;
 - (b) the expiry of any of the periods referred to in paragraph 7.4;
 - (c) in respect of a Grantee who is an Employee Participant, the date on which the Grantee ceases to be an Employee Participant by reason of termination of his employment on the grounds that he has been guilty of fraud or persistent or serious misconduct, or has committed any 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 (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group into disrepute);
 - (d) in respect of a Grantee other than an Employee Participant, the date on which the Directors shall at their absolute discretion determine that (i) (aa) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group on the other part; or (bb) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above; and
 - (e) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 7.1 by the Grantee in respect of that or any other Option.
- 8.2 A resolution of the Directors to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 8.1(c) or that any event referred to in paragraph 8.1(d)(i) has occurred shall be conclusive and binding on all persons who may be affected thereby.
- 8.3 Transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group shall not be considered cessation of employment. It shall not be considered cessation of employment if a

Grantee who is an Employee Participant is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

9. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 9.1 Without prejudice to paragraph 9.3, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under this Scheme and any other Share Schemes (“**Scheme Mandate Limit**”) shall not exceed 10 per cent. of the number of Shares in issue as at the date of approval of this Scheme. Unless expressly approved by the shareholders of the Company in general meeting and expressly allowed by the Stock Exchange, no Option may be granted under this Scheme or any other Share Scheme if the grant of such Option will result in the limit referred to in this paragraph 9.1 being exceeded. LR17.03(3)
LR17.03B(1)
- 9.2 The sublimit (under the Scheme Mandate Limit) on the total number of Shares that may be issued in respect of all Options to be granted to Service Provider Participants under this Scheme and any other Share Schemes adopted by the Group (“**Service Provider Sublimit**”) shall not exceed 10 per cent. of the Scheme Mandate Limit. LR17.03(3)
LR17.03B(2)
- 9.3 Subject to paragraph 9.1 and without prejudice to:
- (a) paragraph 9.3(b), the Company may seek approval of its shareholders in general meeting to refresh the Scheme Mandate Limit (and, where appropriate, the Service Provider Sublimit) under this Scheme, provided that: LR17.03C(1)
LR17.03C(2)
Note to
LR17.03
 - (i) the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under this Scheme and any other Share Scheme must not exceed 10 per cent. of the Shares in issue as at the date of approval of the refreshed limit, and for the purpose of calculating the refreshed Scheme Mandate Limit (and the Service Provider Sublimit), Options lapsed in accordance with the terms of this Scheme and any other Share Scheme will not be regarded as utilized;
 - (ii) where the refreshment of the Scheme Mandate Limit (and the Service Provider Sublimit) is sought:
 - (A) within three (3) years from the date of shareholders’ approval for the last refreshment (or, as the case may be, the date of adoption of this Scheme):
 - (A1) at the general meeting for considering and approving the proposed resolution of such refreshment, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding INEDs) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution; and

- (A2) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing),

provided that the requirements under this paragraph 9.3(a)(ii)(A) do not apply if the refreshment is made immediately after an issue of securities by the issuer to its shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share; and

- (B) after three years from the date of shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of this Scheme), the requirements under paragraph 9.3(a)(ii)(A) shall not be applicable;

- (b) paragraph 9.3(a), the Company may seek separate shareholders' approval in general meeting to grant Options under this Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 9.3(a) to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such Grant should be taken as the date of Grant for the purpose of calculating the Subscription Price under paragraph 6.1.

LR17.03C(3)

- 9.4 Subject to paragraph 9.5, where any Grant of Options to a Grantee under this Scheme would result in the Shares issued and to be issued upon exercise of all Options Granted and proposed to be Granted to such person (excluding any Options lapsed in accordance with the terms of this Scheme or the other Share Scheme) under this Scheme and any other Share Scheme in the 12-month period up to and including the date of such further Grant representing in aggregate over 1 per cent. of the total number of Shares in issue ("**1% Individual Limit**"), such Grant must be separately approved by shareholders of the Company in general meeting with such Grantee and his close associates (or his associates if the Grantee is a connected person of the Company) abstaining from voting. The number and terms of Options to be granted to such participant must be fixed before shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price under paragraph 6.1.

LR17.03(4)
LR17.03D(1)
LR17.03D(2)

- 9.5 Without prejudice to paragraph 4.2, where any Grant of Options to an INED or a substantial shareholder of the Company or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options granted (excluding any Options lapsed in accordance with the terms of this Scheme or the relevant Share Scheme) to such person in the 12-month period up to and including the

LR17.04(3)
LR17.04(4)

date of such grant representing in aggregate over 0.1 per cent. of the Shares in issue, such Grant of Options must be approved by the shareholders of the Company in general meeting (with such Grantee, his associates and all core connected persons of the Company abstaining from voting in favour). In such connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).

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| 9.6 | Any change in the terms of Options granted to any Grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the shareholders of the Company in general meeting in the manner as set out in paragraph 9.5, if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme). | LR17.04 Note (1) |
| 9.7 | The requirements for the Grant to a Director or chief executive of the Company set out in 4.2 and 9.5 do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company. | LR17.04 Note (2) |
| 9.8 | For the purpose of seeking the approval of the shareholders of the Company under paragraphs 9.3, 9.4, 9.5 and 9.6, the Company must send a circular to its shareholders containing the information required under the Listing Rules, within such time as may be specified in the Listing Rules, and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting. | LR17.04(2) LR17.04(3) LR17.04(4) LR17.04(5) |

10. **ADJUSTMENTS TO THE SUBSCRIPTION PRICE**

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| 10.1 | In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to: | LR17.03(13) |
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| (a) | the number of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or |
| (b) | the Subscription Price of any Option; and/or |
| (c) | (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option, |
- and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

- (aa) any such adjustment shall give the Grantee the same proportion of the number of issued shares in the Company (rounded to the nearest whole share) as that to which such Grantee was entitled immediately prior to such adjustment;
- (bb) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value;
- (cc) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and
- (dd) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

Note to
LR17.03(13)

In respect of any adjustment referred to in this paragraph 10.1, other than any adjustment made on a capitalisation issue, the Auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

- 10.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 10.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 7.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 10.1.
- 10.3 In giving any certificate under this paragraph 10, the Auditors or the independent financial adviser appointed under paragraph 10.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

11. CANCELLATION OF OPTIONS

- 11.1 Subject to paragraphs 5 and 7.1, and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.
- 11.2 Where the Company cancels any unvested Option granted to a Grantee or any vested (but not yet exercised) Option and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available Scheme Mandate Limit approved by the shareholders of the Company pursuant to paragraph 9.1, 9.2, 9.3(a) or 9.3(b). The Options cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

LR17.03(14)

Note to
LR17.03(14)

12. SHARE CAPITAL

- 12.1 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 Directors shall make available sufficient authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Option.

13. DISPUTES

- 13.1 Any dispute arising in connection with the number of Shares the subject of an Option, or any adjustment under paragraph 10.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

14. ALTERATION OF THIS SCHEME

- 14.1 Subject to paragraphs 14.2 and 14.4, this Scheme may be altered in any respect by a resolution of the Directors except that: LR17.03(18)

- (a) the provisions of this Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date” in paragraph 1.1;
- (b) the provisions of this Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

Note (1) to
LR17.03(18)

shall not be altered to the advantage of Grantees or prospective Grantees except with the sanction of a resolution of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the articles of association for the time being of the Company for a variation of the rights attached to the Shares. For the avoidance of doubt, no alteration to the Scheme shall operate to affect adversely any rights of any Grantee subsisting hereunder and/or under the Option so held by him immediately prior to such alteration.

- 14.2 Subject to paragraph 14.3, any change to the terms of any Options granted to a Grantee shall be approved by the Directors, the Remuneration Committee, the INEDs and/or the shareholders of the Company in general meeting (as the case may be) in accordance with the terms of this Scheme and Chapter 17 of the Listing Rules. The foregoing provisions of this paragraph 14.2 shall not apply where the alterations take effect automatically under the existing terms of this Scheme.

Note (2) to
LR17.03(18)

- 14.3 Any change to the authority of the Directors or the administrators of this Scheme to alter the terms of this Scheme must be approved by the shareholders of the Company

Note (4) to
LR17.03(18)

in general meeting.

- 14.4 The terms of this Scheme and/or any Options amended pursuant to this paragraph 14 must comply with the applicable requirements under Chapter 17 of the Listing Rules. Any alterations to the terms and conditions of this Scheme which are of a material nature must be approved by the shareholders of the Company in general meeting. Note (3) to LR17.03(18)
- 14.5 Where the terms of this Scheme are amended, the Company shall, immediately upon such changes taking effect, provide to all Participants all details relating to changes in the terms of this Scheme during the life of this Scheme. LR17.02(3)
- 15. TERMINATION**
- 15.1 The Company may by resolution in general meeting at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and (subject to vesting in accordance with the terms of the Offer) exercisable in accordance with this Scheme. LR17.03(16)
- 16. MISCELLANEOUS**
- 16.1 This Scheme shall not form part of any contract of employment between the Company, any Subsidiary and any Employee Participant and the rights and obligations of any Employee Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Employee Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 16.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 16.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors or any independent financial adviser in relation to the preparation of any certificate by them or provision of any other service in relation to this Scheme.
- 16.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of the Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares.
- 16.5 The Company must comply with Chapter 14A of the Listing Rules for providing financial assistance (if any) to any Grantee who is a connected person for purpose of facilitating such Grantee's subscription of Shares under the Option. Note to LR17.06B(10)

- 16.6 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 and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.
- 16.7 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 16.8 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (a) one (1) day after the date of posting, if sent by mail; and
 - (b) when delivered, if delivered by hand.
- 16.9 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein.
- 16.10 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 16.11 By accepting an Offer, an Eligible Participant shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 16.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

*** * * End of this Scheme * * ***