

**Eternal Beauty Holdings Limited**  
***(Incorporated in the Cayman Islands with limited liability)***  
**(the “Company”)**

**SHARE OPTION SCHEME**

**Conditionally adopted by ordinary resolution of  
the then sole shareholder of the Company  
passed on 6 June 2025**

**Eternal Beauty Holdings Limited**  
**SHARE OPTION SCHEME**

**1. DEFINITIONS**

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

“Acceptance Date”	the date upon which an offer of an Option must be accepted by the relevant Eligible Participant, being a date not later than 28 days after the Offer Date;
“Adoption Date”	6 June 2025, being the date of conditional adoption of the Scheme by the then sole shareholder of the Company subject to the conditions set out in paragraph 3.1 being fulfilled;
“Allotment Date”	the date on which Shares are allotted to a Grantee (or any other person so permitted pursuant to the Scheme) pursuant to the Option granted and exercised hereunder;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associate(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors or independent financial advisor appointed by the Company;
“Bankruptcy Ordinance”	the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time;
“Board”	the board of directors of the Company or a duly authorised committee thereof;
“Board Lot”	the board lot in which the Stock Exchange is open for the business of dealing in securities;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;

R17.02(1)

“Cancellation Date”	in respect of an Option, the effective date of cancellation of the Option in whole or in part as specified in the notice in writing given by the Board to the Grantee in accordance with Paragraph 13.1;
“Clawback”	in respect of any Options granted to an Eligible Participant, the return or repayment of all or a specific part of such Options by such Eligible Participant and/or the ceasing or variation of the Eligible Participant’s entitlement to receive or be vested with all or a specified part of any such Options which have not yet been vested in the Eligible Participant, pursuant to Paragraph 5.4 hereof;
“close associate(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	Eternal Beauty Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability;
“controlling shareholder”	shall have the meaning ascribed to it under the Listing Rules;
“connected person(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“core connected person(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Culpable Termination”	termination of the employment of an Employee Participant or a Related Entity Participant (as the case may be) on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with

	his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty;	
“Directors”	directors of the Company;	R17.03A
“Eligible Participant”	an Employee Participant, a Related Entity Participant or a Service Provider, provided that the Board shall have absolute discretion to determine whether or not one falls within the above category;	
“employee”	any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group;	
“Employee Participant”	a director or an employee of the Company or any of its subsidiaries (including a person who is granted Options under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);	
“Exercise Period”	in respect of an Option, such date of the period within which an Option may be exercised by the Grantee as the Board may in its absolute discretion determine and which shall not be more than 10 years from the Grant Date of the Option;	R17.03(5)
“Exercise Price”	the price per Share at which a Grantee may subscribe for a Share on the exercise of an Option pursuant to the Scheme;	
“Grant Date”	the date of the Board resolution approving the grant of Options, which must be a Business Day;	
“Grant Letter”	shall have the same meaning ascribed to it in Paragraph 5.7 hereof;	
“Grantee”	any Eligible Participant who accepts the offer of the grant of an Option in accordance with the terms of the Scheme or (in the case of an Eligible Participant being an individual and where the context so	

	permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the relevant Eligible Participant;
“Group”	the Company and its subsidiaries from time to time;
“holding company”	shall have the same meaning ascribed to it under the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars
“inside information”	shall have the same meaning ascribed to it under the Listing Rules;
“Listing Date”	the date on which the Shares are listed on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“Non-Executive Director Retirement”	the retirement of a non-executive Director (including independent non-executive Director) who retires pursuant to the Company’s Articles of Association and who notifies the Company that he is not offering himself for re-election at the Company’s annual general meeting;
“Offer Date”	the date of the Board resolution approving the grant of Options, which must be a Business Day;
“Option”	an option to subscribe for Share(s) granted pursuant to the Scheme and for the time being subsisting;
“Option Share”	a Share to which any particular Option relates;
“PRC”	the People’s Republic of China;
“Related Entity Participant”	a director or an employee of a Related Entity;

“Related Entity”	a holding company, a subsidiary of the holding company or an associated company of the Company;	
“Scheme”	this share option scheme, the rules of which are set out in this document in its present or any amended form;	
“Scheme Mandate Limit”	has the meaning defined in Paragraph 9.1 of the Scheme;	
“Service Provider”	<p>any person who 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, including the following person:</p> <ul style="list-style-type: none"> <li>(a) a supplier of goods or services to any member of the Group;</li> <li>(b) a customer of any member of the Group;</li> <li>(c) a business or joint venture partner, franchisee, contractor, agent or representative in the cosmetics industry of any member of the Group;</li> <li>(d) a person or entity (as an independent contractor, consultant, advisor or otherwise) that provides support or any advisory, consultancy, professional or other services to any member of the Group (including support or services in relation to design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies); and</li> <li>(e) an associate of any of the foregoing persons.</li> </ul>	<p>R17.03(A)(1)(c) R17.03(A)(2)</p>

For the avoidance of doubt, Service Provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or

	acquisitions, as well as professional service providers (such as auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit for grants of options and awards to Service Providers, and shall have the same meaning ascribed to it in Paragraph 9.1 hereof;
“Shares”	ordinary shares of HK\$0.001 each in the capital of the Company, or, if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	shall have the same meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Vesting Period”	in respect of an Option, the minimum period for which an Option must be held before it can be exercised as the Board may in its absolute discretion determine;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers approved by the Securities and Futures Commission from time to time;
“Treasury Shares”	shall have the same meaning ascribed to it under the Listing Rules;
“Underwriting Agreement(s)”	the underwriting agreement(s) to be entered into, among others, the Company and the underwriters relating to the proposed initial public offering of the Company; and
“%”	per cent.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to paragraphs are to paragraphs of the Scheme. Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated.

## **2. PURPOSE OF THE SCHEME AND ELIGIBILITY**

- 2.1 The purpose of the Scheme is to give the Eligible Participants an opportunity to have a personal stake in the Company and help motivate Eligible Participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of an Employee Participant, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. R17.03(1)(2)
- 2.2 Subject to the terms of the Scheme, the Board shall be entitled at any time during the life of the Scheme to offer the grant of any Option to any Eligible Participants as the Board may in its absolute discretion select.
- 2.3 The basis of determining the eligibility of each Eligible Participant, including the criteria for determining a person's eligibility under each category of Eligible Participant, shall be determined by the Board from time to time. The assessing factors shall include, but not limited to, the following: R17.03(2)  
R17.03A(2)
- (a) for Employee Participants – the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group;
  - (b) for Related Entity Participants – the actual degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the success of the Group, and the amount of potential support, assistance, guidance, advice, efforts and contributions the Related Entity Participant is likely to be able to give or make towards the success of the Group in the future; and
  - (c) for Service Providers – the individual performance of the Service Provider, the length of business relationship with the Group, the materiality and nature of the services provided to the Group (such as whether they relate to the core business of the Group and whether such



services could be readily replaced by third parties), track record in quality of services provided to the Group, the scale of business dealings with the Group, and actual or potential contribution to the Group's revenue or profit which is or may be attributable to the Service Provider.

### **3. CONDITIONS PRECEDENT**

3.1 The Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of all the shareholders of the Company for the adoption of the Scheme;
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme;
- (c) the commencement of dealing in the Shares on the Stock Exchange; and
- (d) the obligations of the underwriters under the Underwriting Agreement(s) becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

R17.02(1)(a)

3.2 If the permission referred to in Paragraph 3.1(b) is not granted within two calendar months after the Adoption Date:

- (a) the Scheme will forthwith terminate;
- (b) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect;
- (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; and
- (d) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by the Company.

### **4. DURATION AND ADMINISTRATION**

4.1 Subject to the fulfilment of the conditions under Paragraph 3 and the termination provisions under Paragraph 16, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Upon the expiry of the Scheme as aforesaid, no further Options will be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

R17.03(11)

- 4.2 The Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) be final and binding on all parties. The Board may delegate any or all of its powers in relation to the Scheme to any of its committees.

## **5. GRANT OF OPTIONS**

- 5.1 Subject to the terms of the Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Participant as the Board may in its absolute discretion select to subscribe at the Exercise Price for such number of Shares as the Board may (subject to Paragraph 9) determine (provided the same shall be a Board Lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof) provided that:

- (a) no Options shall be granted under this Scheme after the termination of the Scheme in accordance with Paragraph 16;
- (b) no Options shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant laws or regulations applicable to the Company;
- (c) no Options shall be granted if the grant would result in a breach by the Company or its directors of relevant laws or regulations (including those relating to securities); and
- (d) any Option, once issued, shall not be reissued under the Scheme.

- 5.2 If the Board determines to offer Options to an Eligible Participant which, when aggregated with any Shares issued or to be issued in respect of all options or awards granted to that person (excluding any options or awards lapsed in accordance with the terms of the relevant schemes) under this Scheme and the other share schemes of the Company in any 12-month period up to and including the Offer Date, exceed 1% of the number of Shares in issue (excluding Treasury Shares, if any) on the Offer Date:

R17.03(4)  
R17.03D

- (a) that grant shall be subject to (i) the issue of a circular by the Company to its shareholders which shall comply with Rules 17.03D and 17.06 of the Listing Rules and or such other requirements as prescribed under the Listing Rules from time to time; and (ii) such grant must be separately approved by the shareholders of the Company in general meeting with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting, and the number and terms of the Option to be further granted to such Grantee must be fixed before Shareholders' approval; and

- (b) in respect of any Option to be further granted, the date of the Board meeting at which the Board resolves to grant the proposed Options to such Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.

5.3 Subject to the provisions of the Listing Rules, the Board may in its absolute discretion (i) when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Scheme as the Board may think fit (to be stated in the Grant Letter) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the Grantee, the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of all or some of the Option Shares shall vest, and (ii) at any time after the grant of an Option, waive or amend such conditions, restrictions or limitations to the advantage of the Grantee provided that such terms or conditions shall not be inconsistent with any other terms or conditions of this Scheme. Unless otherwise determined by the Board and specified in the Grant Letter, there is no performance target which need to be achieved by the Grantee before the Option can be exercised. Options granted to Directors and senior management of the Company without performance targets shall be subject to any other requirements under the Listing Rules.

R17.03(7)

5.4 In certain circumstances, it may be regarded as inequitable for any Options to be vested or retained (as the case may be). Such Options are therefore subject to Clawback, including but not limited to where there has been a material misstatement or omission in the financial report of the Group or if the relevant Grantee has engaged in serious negligence, fraud or misconduct. Notwithstanding any other terms of the Scheme, any Options may be subject to Clawback pursuant to the Company's policy on Clawback, as amended from time to time. Options granted to Directors and senior management of the Company without Clawback shall be subject to any other requirements under the Listing Rules.

R17.03(19)

5.5 Subject to Paragraph 9 below, but only insofar as and for so long as the Listing Rules require,

R17.04

- (a) any grant of Options to a Director, chief executive or a substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the Grantee of an Option);
- (b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under the Scheme and any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company)

such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares of the Company in issue (excluding Treasury Shares, if any), such further grant of Options shall be approved by shareholders of the Company in general meeting in the manner as set out in Paragraph 5.5(c) below;

- (c) in the circumstances described in Paragraph 5.5(b) above, the Company shall send a circular to its shareholders. The Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the relevant requirements under the Listing Rules. The circular shall contain details and information as required under the Listing Rules;
- (d) any change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by shareholders of the Company in the manner as set out in Paragraph 5.5(c) above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme); and
- (e) the requirements for the grant to a Director or chief executive of the Company as set out in this Paragraph 5.5 do not apply where the Eligible Participant is only a proposed director or chief executive of the Company.

5.6 The Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Board shall not grant any Options during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any 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),

R17.05

and ending on the date of the results announcements.

No Options shall be granted during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Option may be granted.

5.7 If in accordance with Paragraph 5.1 the Board determines to offer the grant of an Option to an Eligible Participant, the Board shall forward to the relevant Eligible Participant an offer letter (the "Grant Letter") specifying:

- (a) the Eligible Participant's name (and where the Eligible Participant is not a natural person, the name of its ultimate beneficial owner);
- (b) the Eligible Participant's address;
- (c) the category of Eligible Participant, and the relationship between the Eligible Participant and the Company (and where the Eligible Participant is a Related Entity Participant or Service Provider, the nature of services provided to the Company);
- (d) the Grant Date;
- (e) the Acceptance Date, and the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Paragraph 5.8;
- (f) the number of Shares in respect of which the Option is offered;
- (g) the Exercise Price, and the manner of payment of the Exercise Price of the Shares on and in consequence of the exercise of the Option;
- (h) the Exercise Period of the Option, and the method of exercise of the Option which shall, unless the Board otherwise determines, be as set out in Paragraph 8.1;
- (i) the Vesting Period of the Option;
- (j) the performance targets attached to the Option (if any);
- (k) such other terms and conditions relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the rules and procedures applicable to the Scheme,

and 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 the Scheme.

5.8 An offer of the grant of an Option shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days from the Grant Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme stated in Paragraph 4.1 or after the Scheme has been terminated in accordance with Paragraph 16. An Option shall be deemed to have been granted and accepted by the Eligible Participant and to have taken effect when the duplicate Grant Letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant

R17.03(8)

thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.

- 5.9 Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of Board Lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate Grant Letter comprising acceptance of the offer of the Option in the manner as set out in Paragraph 5.8 above. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

## **6. EXERCISE PRICE**

- 6.1 Subject to the provisions of the Listing Rules, the Exercise Price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the Grant Letter) but in any event the Exercise Price shall not be less than whichever is the higher of:

R17.03E  
R17.03(9)

- (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date; and
- (b) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Grant Date.

## **7. VESTING PERIOD**

R17.03(6)  
R17.03F

- 7.1 Subject to Paragraph 7.2, the exercise of any Option may be subject to a Vesting period to be determined by the Board in its absolute discretion, which shall be specified in the Grant Letter as mentioned in Paragraph 5.7.
- 7.2 Only insofar as and for so long as the Listing Rules require, the Vesting Period for an Option under the Scheme shall not be less than 12 months, except that the Options granted to Employee Participants may be less than 12 months under the following specific circumstances:
- (a) grants of "make-whole" Options to new joiners to replace the share options they forfeited when leaving the previous employers;
  - (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or uncontrollable event. In those circumstances, the vesting of an Option may accelerate;
  - (c) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;

- (d) grants of Options made in batches during a year for administrative and compliance reasons;
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

## **8. EXERCISE OF OPTIONS**

- 8.1 An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the Exercise Period in the manner as set out in Paragraphs 8.3 and 8.4 by the Grantee (or any other person so permitted pursuant to the Scheme) by giving notice in writing to the Company in the manner to the satisfactory to the Company and stating that the Option is thereby exercised and specifying 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 Exercise Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate pursuant to Paragraph 14, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or any other person so permitted pursuant to the Scheme) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or any other person so permitted pursuant to the Scheme) share certificate(s) in respect of the Shares so allotted.
- 8.2 The exercise of any Option shall be subject to the approval of shareholders of the Company in general meeting for any necessary increase in the authorised share capital of the Company.
- 8.3 Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Exercise Period, provided that:
- (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under Paragraph 8.3 (e) exists with respect to such Grantee, he (or his legal personal representative(s)) may exercise the Option up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;
  - (b) in the event that the Grantee ceases to be (i) an Employee Participant by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time or (ii) a Related Entity Participant by reason of his retirement pursuant to such retirement scheme applicable to the Related Entity (as the case may be), and none

of the events for termination of employment or engagement under Paragraph 8.3 (e) exists with respect to such Grantee, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Exercise Period;

- (c) in the event that the Grantee ceases to be (i) an Employee Participant by reason of his transfer of employment to a Related Entity or (ii) a Related Entity Participant by reason of his transfer of employment to the Group (as the case may be), his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (d) in the event that the Grantee ceases to be an Employee Participant for any reason (including his employing company ceasing to be a member of the Group or a Related Entity) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group or a Related Entity (as the case may be) at the relevant time or the transfer of his employment to a Related Entity or the Group (as the case may be) or the termination of his employment with the relevant member of the Group or a Related Entity (as the case may be) by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Employee Participant or a Related Entity Participant (as the case may be) by reason of the termination of his employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(e) shall be final and conclusive;
- (f) if a Grantee being:
  - (i) an executive Director of the Company ceases to be an executive director or senior management of the Group but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant



Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

(ii) a non-executive Director or an independent non-executive Director ceases to be a Director:

(1) by reason of Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Exercise Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

(2) for reasons other than Non-Executive Director Retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(g) if:

(i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Participant;

(ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. A resolution of the Board resolving that the Grantee's

Option has lapsed pursuant to this Paragraph 8.3(g) shall be final and conclusive;

- (h) if a Grantee (being a corporation):
  - (i) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or
  - (ii) has suspended, ceased or threatened to suspend or cease business; or
  - (iii) is unable to pay its debts; or
  - (iv) otherwise becomes insolvent; or
  - (v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
  - (vi) commits a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or threatened suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or otherwise becomes insolvent or on the date of notification by the Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (vi) of this Paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(h) shall be final and conclusive;

- (i) if a Grantee (being an individual):
  - (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law or has otherwise become insolvent; or
  - (ii) has made any arrangement or composition with his creditors generally; or
  - (iii) has been convicted of any criminal offence involving his integrity or honesty; or

- (iv) commits a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of this Paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(i) shall be final and conclusive;

- (j) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (k) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal personal representatives or receiver) may until the expiry of the earlier of:
  - (i) the Exercise Period;
  - (ii) the period of two months from the date of such notice; or
  - (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.

Except insofar as exercised in accordance with this Paragraph 8.3(k), all Options outstanding at the expiry of the relevant period referred to in this Paragraph 8.3(k) shall lapse. The Company may thereafter

require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (l) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company in the manner to the satisfaction of the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee (or any other person so permitted pursuant to the Scheme) credited as fully paid.

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue (excluding Treasury Shares, if any) commencing from (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) 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, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Allotment Date.

R17.03(10)  
R17.03 (15)

- 8.4 No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the Scheme, unless and until Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to the Scheme) as the holder thereof.
- 8.5 The outstanding Options granted may not be exercised if all or part of the exercise of the Options will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules or permitted by the Stock Exchange).

- 8.6 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group or the Related Entity (as the case may be), no Option can be exercised until such suspension has been lifted.

**9. SCHEME MANDATE LIMITED AND SERVICE PROVIDER SUBLIMIT**

R17.03(3)  
R17.03B  
R17.03C

- 9.1 Subject to Paragraphs 9.2 to 9.7,

- (a) the Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company, and shall not in aggregate exceed 10% of the Shares in issue (excluding Treasury Shares, if any) as at the Listing Date. The Company may either issue new Shares or transfer Treasury Shares to the relevant grantee to satisfy the awards upon exercise of the Options.; and
- (b) the Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Provider under the Scheme and any other schemes of the Group, and shall not in aggregate exceed 1% of the Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date.

- 9.2 Options lapsed in accordance with the terms of the Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Limit. Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Limit.

R17.03(B)  
Note(1)  
R17.03(14)

- 9.3 The maximum numbers set out in Paragraph 9.1 above shall be adjusted, in such manner as the Auditors shall certify in writing to the Board to be fair and reasonable in the event of any alteration to the capital structure of the Company in accordance with Paragraph 14 below whether by way of capitalisation issue, open offer, rights issue, consolidation, reclassification, reconstruction, subdivision or reduction of the share capital of the Company but shall not in any event exceed the limits imposed by the Listing Rules. Any such adjustment shall give the Eligible Participants the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement.

R17.03(13)

- 9.4 The Company may seek approval by its shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three years from (i) the Adoption Date; or (ii) the date of the Shareholders' approval for the last refreshment (as the case may be).

- 9.5 Only insofar as and for so long as the Listing Rules require, any refreshment within any three-year period shall be approved by the shareholders of the Company, subject to the following provisions:
- (a) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favor of the relevant resolution at the general meeting; and
  - (b) the Company shall comply with the requirements under the Listing Rules.
- 9.6 The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company under the Scheme Mandate as refreshed shall not 10% of the Shares in issue (excluding Treasury Shares, if any) as at the date of the Shareholders' approval for the refreshment. The Company shall send to its shareholders a circular containing the details and information required under the Listing Rules, including the number of Options that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.
- 9.7 The Company may seek separate approval from its shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. The Company shall issue a circular to its shareholders containing the details and information required under the Listing Rules, including the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. The number and terms of such Options must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

## **10. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

- 10.1 Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue (excluding Treasury Shares, if any), such grant shall be separately approved by the shareholders of the Company in general meeting with such Eligible Participant and his close associates (or associates if such Eligible Participant is a connected person) abstaining from voting. The Company shall send a circular to its shareholders containing the

details and information required under the Paragraph 10.2 and the Listing Rules.

- 10.2 The circular shall disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to such Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options or awards to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

## **11. TRANSFERABILITY OF OPTIONS**

- 11.1 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 (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee for estate planning or tax planning as permitted by the Stock Exchange or under the Listing Rules). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

R17.03(17)  
R17.03(10)

## **12. LAPSE OF OPTION**

- 12.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:
- (a) the expiry of the Exercise Period;
  - (b) the expiry of any of the period referred to Paragraph 8.3;
  - (c) subject to Paragraph 8.3(l), the date of the commencement of the winding-up of the Company;
  - (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
  - (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in Paragraphs 8.3(h) or 12.1(d); or
  - (f) a bankruptcy order has been made against any director or shareholder of the Grantee (being a corporation) in any jurisdiction.

R17.03(12)

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

### **13. CANCELLATION OF OPTIONS**

13.1 The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the Grantee commits or permits or attempts to commit or permit a breach of Paragraph 11.1 or any terms or conditions attached to the grant of the Option;
- (b) the Grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a Subsidiary.

13.2 The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case. Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Limit).

R17.03(14)

13.3 Where the Company cancels Options granted to an Eligible Participant, and makes a new grant to the same Eligible Participant, such new grant may only be made under the Scheme with available Scheme Mandate Limit approved by the shareholders of the Company in the manner as set out in Paragraph 9.

### **14. REORGANISATION OF CAPITAL STRUCTURE**

14.1 In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation issue, open offer, rights issue, consolidation, reclassification, reconstruction, sub-division or reduction of the share capital of the Company (or any other actions which may have an impact on the share capital of the Company, other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

R17.03(13)

- (a) the maximum number of Shares subject to the Scheme; and/or



- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the Exercise Price of each outstanding Option,

provided that the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit or the Service Provider Limit as a percentage of the total number of issued Shares immediately before and after such alteration to the capital structure of the Company shall be the same, rounded to the nearest whole share.

R17.03B(2)

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the Auditors appointed by the Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall give an Eligible Participant the same proportion of equity capital, rounded to the nearest whole share, as that to which that Eligible Participant was previously entitled to, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this Paragraph (a);
- (b) any such adjustments shall be made on the basis that the aggregate Exercise Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the Auditors in Paragraph 14.1 is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

- 14.2 If there has been any alteration in the capital structure of the Company as referred to in this Paragraph 14, the Company shall, upon receipt of a notice from the Grantee in accordance with Paragraph 8.1, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors 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 to issue a certificate in that regard in accordance with Paragraph 14.

## **15. SHARE CAPITAL**

- 15.1 Subject to Paragraph 7.1, the Board shall at all times set aside for the purposes of the Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of the Option.

## **16. TERMINATION**

- 16.1 The Company may by resolution in general meeting at any time terminate the operation of the Scheme. Upon termination of the Scheme as aforesaid, no further Options shall be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant Exercise Period, subject to and in accordance with the Scheme.

R17.03(16)

## **17. ALTERATION OF THE SCHEME**

- 17.1 Subject to Paragraph 17.2, the Scheme may be altered in any respect by a resolution of the Board.

R17.03(18)

- 17.2 The following shall not be carried out except with the prior approval of the shareholders of the Company in general meeting by ordinary resolution:

- (a) any alterations to the terms and conditions of the Scheme which are material in nature or any alterations to the provisions of the Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants;
- (b) any change to the authority of the Board or scheme administrator to alter the terms of the Scheme; and
- (c) any alteration to Paragraph 17,

provided always that the amended terms of the Scheme or the Options shall comply with the applicable requirements of the Listing Rules.

- 17.3 Any change to the terms of Options granted to an Eligible Participant shall be approved by the Board, the remuneration committee, the independent non-executive directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent nonexecutive directors and/or the shareholder of the Company (as the case may be), except where the alterations take effect automatically under the existing terms of the Scheme.

## **18. DISPUTES**

- 18.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Board and whose decision shall be final and conclusive and binding on all persons who may be affected thereby.

## **19. MISCELLANEOUS**

- 19.1 The Company shall bear the costs of establishing and administering the Scheme.
- 19.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its members at the same time or within a reasonable time of such notices or documents being sent, which shall be made available to him during normal office hours at the principal office of the Company in Hong Kong.
- 19.3 Any notices (except for the notice set out in Paragraphs 8.1 and 8.3(l) in relation to the exercise of an Option), documents or other communication between the Company and a Grantee shall be in writing and may be sent by prepaid post or by personal delivery to, in the case of the Company, its principal office in Hong Kong or otherwise notified to the Grantees from time to time and, in the case of the Grantee, his address in Hong Kong or the PRC as notified to the Company or as agreed between the Company and the Grantee from time to time.
- 19.4 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or if delivered by hand, when delivered; and
  - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 19.5 All allotments and issues of Shares pursuant to the Scheme shall be subject to any necessary consents or approval under the relevant laws, enactments or regulations for the time being in force in the Cayman Islands or elsewhere and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or 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. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any

failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.

- 19.6 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.
- 19.7 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 19.8 The Scheme shall not form part of any contract of employment between the Company or 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 it and the 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.

## **20. GOVERNING LAW**

- 20.1 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.