

Softcare Limited

樂舒適有限公司

(incorporated in the Cayman Islands with limited liability)

(Adopted by a resolution of the sole shareholder
of the Company on January 15, 2025)

RULES OF THE PRE-IPO SHARE OPTION SCHEME

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樂舒適有限公司

(Incorporated in the Cayman Islands with limited liability)

RULES OF THE PRE-IPO SHARE OPTION SCHEME

1. DEFINITIONS

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

“Acceptance Date” means the date upon which an offer for an Option must be accepted by the relevant Eligible Participant, being a date not later than five days after the Offer Date;

“Acceptance Letter” has the meaning ascribed to it in paragraph 5.3;

“Adoption Date” means January 15, 2025, the date on which this Scheme is conditionally adopted by the Board and an ordinary resolution of the sole shareholder of the Company;

“approved independent financial advisor” means such independent financial advisor as approved by the Board;

“Articles” means the articles of association of the Company as amended from time to time;

“associate” has the meaning ascribed to it in the Listing Rules;

“Auditors” means the auditors for the time being of the Company;

“Board” means the board of directors of the Company for the time being or a duly authorized committee thereof;

“Business Day” means a day on which the Stock Exchange is open for the business of dealing in securities;

“Company” means Softcare Limited (樂舒適有限公司), a company incorporated in the Cayman Islands with limited liability on February 17, 2022;

“Companies Act” means the Companies Act of the Cayman Islands as amended, consolidated and/or supplemented from time to time;

“Eligible Participant” means any director and employee of the Company or any of the Subsidiaries (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with the Company or any of the Subsidiaries);

“Exercise Date” means the date of the notice given by the Grantee in respect of the exercise of an Option in accordance with paragraph 7.1;

“Exercise Price” means the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with paragraph 7;

“Global Offering” means the Hong Kong public offering of Shares (subject to reallocation) and the international offering of Shares (subject to reallocation and the Over-allotment Option), details of which are described in the section headed “Structure of the Global Offering” in the Prospectus;

“Grantee” means any Eligible Participant who accepts the offer of the grant of an Option in accordance with the rules of this Scheme;

“Group” means the Company and its Subsidiaries;

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing” means the listing of the Shares on the Main Board of the Stock Exchange;

“Listing Date” means the date on which the Shares commence listing on the Main Board of the Stock Exchange;

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

“Offer Date” means in respect of an Option, the date on which such Option is offered in writing to an Eligible Participant as specified in the Offer Letter which must be a Business Day;

“Offer Letter” has the meaning ascribed to it in paragraph 5.2;

“Over-allotment Option” means the option expected to be granted by our Company to the international underwriters, exercisable by the Overall Coordinators (as defined in the Prospectus) (for themselves and on behalf of the other international underwriters) under the international underwriting agreement, pursuant to which our Company may be required to allot and issue such number of Shares to cover over-allocations in the international offering, if any, details of which are set out in the Prospectus;

“Option” means a right granted by the Company under the Scheme, which right permits (but does not obligate) a Grantee to subscribe for Shares granted in accordance with the terms of this Scheme;

“Option Period” means in respect of an Option, the period to be notified by the Board to each Grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of five years commencing on the Offer Date;

“Other Schemes” means other than this Scheme, the Post-IPO Share Option Scheme and (i) all the share schemes involving the grant by the Company of Shares or options over Shares to, or for the benefit of, or specified participants of such schemes (which includes a grant of any such Shares or options to a trust or similar arrangement for the benefit of a specified participant); and (ii) any arrangement involving the grant of Shares which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules;

“Performance Measures” means any one or more of the following corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual measures: cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total shareholder return; customer satisfaction metrics; and such other goals as the Board may determine from time to time. Each goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company and/or the past or current performance of other companies, and in the case of earnings-based measures, may use or employ comparisons relating to capital, shareholders’ equity and/or shares outstanding, investments or to assets or net assets. The Board may, in its sole and absolute discretion, amend or adjust the Performance Measures and establish any special rules and conditions to which the Performance Measures shall be subject at any time;

“Personal Representative(s)” means a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;

“Post-IPO Share Option Scheme” means the Post-IPO share option scheme conditionally to be adopted by the Company before Listing, pursuant to which options over Shares can be granted by the Company to the Eligible Participants after Listing;

“Prospectus” means the prospectus of the Company in respect of the Global Offering;

“this Scheme” means the pre-IPO share option scheme, the rules of which are set out in this document in its present or any amended form;

“Scheme Limit” has the meaning ascribed to it in paragraph 9;

“Scheme Period” means a period of twelve calendar months commencing on the Adoption Date (both dates inclusive) but in any event shall be no later than the day before the Listing Date;

“Shares” means ordinary shares of US\$0.0001 each in the capital of the Company or, if there has been a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in 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 capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“Special Resolution” means a resolution passed at a meeting of the Grantees (being only those Grantees holding Options, all or any part of which is unexercised as of the time of the meeting at which the resolution is proposed) duly convened and held and carried by a majority consisting of not less than two-thirds of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than two-thirds of the votes cast on a poll;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued share capital of the Company is primarily listed;

“Subsidiary” has the meaning ascribed to it in the Listing Rules and **“Subsidiaries”** shall be construed accordingly; and

“US\$” means United States dollars, the lawful currency of the United States of America.

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and
- (f) a reference to a “person” shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. **CONDITIONS**

2.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the passing of the necessary resolutions by the shareholders of the Company to approve and adopt the rules of this Scheme;
- (b) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant

to the exercise of Options to be granted under this Scheme;

- (c) the obligations of the Underwriters (as defined in the Prospectus) under the Underwriting Agreements (as defined in the Prospectus) becoming unconditional (including if relevant, as a result of the waiver(s) thereof) and not being terminated in accordance with the terms of the Underwriting Agreements (as defined in the Prospectus) or otherwise; and
- (d) the commencement of dealings in the Shares on the Stock Exchange.

2.2 If the conditions in paragraph 2.1 are not satisfied within twelve calendar months from the Adoption Date:

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

3. PURPOSE, DURATION AND CONTROL OF SCHEME

3.1 The purpose of this Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards to recognize and acknowledge their contributions or potential contributions to the Group.

3.2 This Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group, and (ii) attract and retain or otherwise maintain relationships with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

3.3 Subject to paragraph 14 and fulfilment of the conditions in paragraph 2.1, this Scheme shall be valid and effective for the Scheme Period after which no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.

4. ADMINISTRATION

4.1 This Scheme shall in all respects be subject to the administration of the Board which (i) shall administer the Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules; and (ii) may make such rules not being inconsistent with the terms and conditions hereof and the

Listing Rules for the conduct of the Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit. Any decision of the Board with respect to any matter arising under this Scheme (including the interpretation of any provisions herein) shall be final and binding on all parties.

5. **OPTIONS**

5.1 The Board shall, subject to and in accordance with the provisions of this Scheme and the Listing Rules, be entitled to but shall not be bound, at any time on any Business Day during the Scheme Period offer to grant an Option to any Eligible Participant as determined by the Board from time to time whom the Board may in its sole and absolute discretion select and subject to such conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets as assessed in accordance with the Performance Measures during a specified performance period which must be achieved before an Option can be exercised) as it may think fit.

5.2 If the Board determines to offer an Option to an Eligible Participant in accordance with paragraph 5.1, the Board shall forward to the relevant Eligible Participant an offer document (the “**Offer Letter**”) in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:-

- (a) the Eligible Participant’s name, address and occupation;
- (b) the Offer Date;
- (c) the Acceptance Date;
- (d) the vesting date(s) of the relevant Options;
- (e) the number of Shares in respect of which the Option is offered;
- (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
- (g) the Option Period in relation to that Option;
- (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 5.3; and
- (i) such other terms and conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets as assessed in accordance with the Performance Measures during a specified performance period which must be achieved before the Option can be exercised) relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the Listing Rules.

- 5.3 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect on the date when the acceptance letter the form of which shall be attached to the Offer Letter (the “**Acceptance Letter**”) constituting acceptance of the Option duly signed by the Grantee, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the relevant Acceptance Date. Such remittance or payment shall in no circumstances be refundable.
- 5.4 Any offer to grant an Option may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the Acceptance Letter. To the extent that the offer to grant an Option is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.
- 5.5 The Options shall not be listed or dealt in on the Stock Exchange.
- 5.6 An Option and an offer to grant an Option shall be personal to the Grantee and shall not be transferrable or 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 held by him/her or any offer relating to the grant of an Option made to him/her or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

6. **EXERCISE PRICE**

The Exercise Price in relation to each Option offered to an Eligible Participant shall be the subscription price per share as specified in the Offer Letter, provided that it shall not fall below the nominal value of the share at the time of issue.

7. **EXERCISE OF OPTIONS**

- 7.1 Subject to paragraphs 7.3 and 7.4 and the Company can meet the public float requirement under Rule 8.08 of the Listing Rules after the exercise of an Option, a Grantee may exercise his/her Options in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee 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 exercised. Each of such notice must be accompanied by a remittance or payment for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the Auditors or the approved independent financial advisor as the case may be pursuant to paragraph 10, the Company shall allot and issue the relevant number of Shares

to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

- 7.2 The exercise of any Option shall be subject to the shareholders of the Company in general meeting approving any necessary increase in the authorized share capital of the Company.
- 7.3 Each of the Grantees to whom an Option has been granted under this Scheme shall be entitled to exercise his/her Option in the manner as specified in the Offer Letter.
- 7.4 Subject as hereinafter provided or as provided in the Offer Letter, a Grantee may exercise his/her vested and outstanding Options at any in one time or multiple times during the Option Period provided that:-
- (a) if a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all holders of Shares (or all such holders of Shares other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms *mutatis mutandis*, and assuming that they shall become, by the exercise in full of the Options granted to them, shareholders of the Company). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his/her legal personal representative(s)) shall be entitled to exercise his/her Option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;
 - (b) if, pursuant to the Companies Act, a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12:00 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in

such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of the Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company, any member of the Group, the Board for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (c) 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 in the case of the death of the Grantee, his/her 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, accompanied by a remittance or payment 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 credited as fully paid and register the Grantee as holder thereof.

- 7.5 No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting, dividend, transfer or other rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject to the aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles and shall carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, dividend, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue. For the avoidance of doubt, Shares issued on the exercise of an Option shall not be entitled to any rights attaching to Shares by reference to a record date preceding the date of allotment.

8. LAPSE OF OPTION

- 8.1 An Option shall automatically lapse and not be exercisable (to the extent not

already exercised) on the earliest of:-

- (a) the expiry of the Option Period relevant to that Option;
- (b) the expiry of any of the period referred to in paragraph 7.4(a), (b) and (c);
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph 7.4(b) becomes effective;
- (d) subject to paragraph 7.4(c), the date of commencement of the winding-up of the Company (as determined in accordance with the Companies Act);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of such Grantee's resignation from the employment with the Company and/or any of the Subsidiaries or the termination of his/her employment or contract with the Company and/or any of the Subsidiaries on any one or more of the following grounds;
 - (i) that he/she has been guilty of serious misconduct (if so determined by the Board in its sole and absolute discretion);
 - (ii) that he/she has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Company and/or any of the Subsidiaries (if so determined by the Board in its sole and absolute discretion);
 - (iii) that he/she has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally; or
 - (iv) on any other ground as determined by the Board that would warrant the termination of his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or any other grounds as specified in the Offer Letter. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 5.6 or the Options are cancelled in accordance with paragraph 15.

8.2 Other provisions in relation to the lapse of an Option shall be specified in the Offer Letter.

9. **SCHEME LIMIT**

The maximum number of Shares in respect of which Options may be granted under this Scheme shall be up to 0.55% of the total number of shares of the Company in issue immediately upon completion of the Global Offering (“**Scheme Limit**”), but excluding any Shares which may be issued upon the exercise of the options granted or to be granted under this Scheme, the Other Schemes and Shares that may fall to be issued upon the exercise of the Over-allotment Option.

10. **EFFECT OF ALTERATIONS TO CAPITAL**

10.1 In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of share capital of the Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in:

- (a) the number of Shares subject to any outstanding Options; and/or
- (b) the Exercise Price of each outstanding Option; and/or
- (c) the method of exercise of the Options,

as the Auditors or the approved independent financial advisor shall at the request of the Company or any Grantee, certify in writing to the Board either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have the same proportion of the equity capital of the Company (as interpreted in accordance with the Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note to the Rule attached to the Frequently Asked Questions on share schemes (FAQ13 – No.16) published by the Stock Exchange (as may be amended and updated from time to time) (the “**Supplemental Guidance**”) as that to which he/she was entitled to subscribe had he/she exercised all the Options held by him/her immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. The capacity of the Auditors or the approved independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees. Any adjustment to be made in accordance with this paragraph shall comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

10.2 In respect of any adjustments required by paragraph 10.1, other than any made on a capitalization issue, the Auditors or the approved independent financial

advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the Supplemental Guidance and any further guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time and/or such other requirement prescribed under the Listing Rules from time to time in relation to share schemes.

11. SUFFICIENT SHARE CAPITAL

Subject to paragraph 7.2, the Board shall at all times set aside for the purposes of this Scheme, out of the authorized 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 outstanding Options.

12. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Exercise Price or otherwise) shall be referred to the Auditors who shall act as experts and not as arbitrators, and whose decision shall be submitted to the Board for final decision. The Board's decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

13. ALTERATION OF THIS SCHEME

13.1 The terms and conditions of this Scheme and the regulations for the administration and operation of this Scheme (provided that the same are not inconsistent with this Scheme and the Listing Rules) may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be) in respect of the definitions of "Eligible Participant", "Option Period" and "Grantee" in paragraph 1.1 and the provisions in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 14, 15 and this paragraph 13; or
- (b) any material alteration to the terms and conditions of this Scheme or any change to the terms of Options granted (except any alterations which take effect automatically under the terms of this Scheme),

must be made with the prior approval of the shareholders of the Company in general meeting at which any persons to whom or for whose benefit the Shares may be issued under this Scheme and their respective associates shall abstain from voting PROVIDED THAT no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration except with:

- (i) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-

fourths of the number of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or

- (ii) the sanction of a Special Resolution.

Written notice of any alterations made in accordance with paragraph 13.1 shall be given to all Grantees.

13.2 In respect of any meeting of Grantees referred to in paragraph 13.1, all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:

- (a) not less than seven days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options entitling them to the issue of one-tenth in the number of all Shares which would fall to be issued upon the exercise of all Options then outstanding unless there is only one Grantee holding all Options then outstanding, in which case the quorum shall be one Grantee;
- (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he/she would be entitled upon exercise in full of his/her Options then outstanding;
- (d) any Grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than fourteen days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

14. **TERMINATION**

14.1 The Company may by resolution in general meeting or the Board at any time resolve to terminate the operation of this Scheme, and in such event, no further Options shall be offered but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with this Scheme.

14.2 Details of the Options granted, including Options exercised or outstanding,

under this Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of the new scheme established after the termination of this Scheme.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised prior to the expiry of the Option Period must be approved by the Grantees of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 5.6. Where the Company cancels any Option, the grant of new options to the same Grantee may only be made under this Scheme within the limit set out in paragraph 9.

16. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Board shall procure that details of this Scheme and the Other Schemes are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.

17. COSTS AND EXPENSES

- 17.1 The Company shall bear all the costs of establishing, administering and operating this Scheme (including but not limited to the costs of legal fees, the costs of Auditors or the approved independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 17.2 The Company shall not be liable for any tax, stamp duty (if any) or expenses of such other nature payable on the part of any Grantees in respect of any sale, acquisition, vesting or transfer of the Shares issued as a result of the exercise of Options, and any tax, duty, expenses, fees or any other liability to which he/she may become subject as a result of his/her participation in this Scheme.

18. NOTICES

- 18.1 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him/her, during normal office hours at the Company's headquarters in the PRC.
- 18.2 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its headquarters in the PRC and, in the case of the Grantee, his/her address as notified to the Company from time to time.
- 18.3 Any notice or other communication served:-
- (a) by the Company shall be deemed to have been served 48 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. MISCELLANEOUS

- 19.1 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his/her participation in this Scheme.
- 19.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any member of the Group or the Board directly or indirectly or give rise to any cause of action at law or in equity against the Company, any member of the Group or the Board.
- 19.3 This Scheme shall not form part of any contract of employment between the Company or any of the Subsidiaries and any Eligible Participant who is an employee of the Company and/or any of the Subsidiaries and the rights and obligations of any Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 19.4 By participating in this Scheme the Eligible Participant consents to the holding and processing of personal data provided by the Grantees to the Company for all purposes relating to the operation of this Scheme. These include, but are not limited to:
 - (a) administering and maintaining the records for the Eligible Participant;
 - (b) providing information to the Company, legal advisors, registrars or brokers of this Scheme;
 - (c) providing information to future purchasers of the Company or the business in which the Grantees works; and
 - (d) transferring information about the Eligible Participant to a country or territory outside Hong Kong.
- 19.5 The Company shall maintain all necessary books of account and records relating to the Scheme.

- 19.6 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his/her interest, vote on any Board resolution concerning the Scheme (other than in respect of his/her own participation therein) and may retain any benefit under this Scheme.

20. **GOVERNING LAW**

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