

**DAH SING FINANCIAL HOLDINGS LIMITED**

**大新金融集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

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**RULES RELATING TO  
DAH SING FINANCIAL HOLDINGS LIMITED  
SHARE OPTION SCHEME**

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Approved and adopted by an ordinary resolution of the shareholders of  
Dah Sing Financial Holdings Limited  
at the annual general meeting held on [•]

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## 1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme each of the following words and expressions shall, unless the context otherwise requires, have the following meaning:

- “Adoption Date”** means [•], being the date on which the Shareholders approved the adoption of the Scheme;
- “Applicable Shares”** shall have the meaning ascribed to it under Rule 13.3;
- “Articles”** means the articles of association of the Company in force for the time being;
- “associate”** shall have the meaning ascribed to it under the Listing Rules;
- “Auditors”** means the auditors of the Company for the time being;
- “Board”** means the board of directors of the Company or a duly authorised committee thereof;
- “Business Day”** means a day on which the Stock Exchange is open for trading and licensed banks are open for business generally in Hong Kong (excluding Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.);
- “Cancellation Date”** shall have the meaning ascribed to it under Rule 13.1;
- “close associate”** shall have the meaning ascribed to it under the Listing Rules;
- “Company”** means Dah Sing Financial Holdings Limited 大新金融集團有限公司, a company incorporated in Hong Kong with limited liability and business registration number 11274731, whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 440);

<b>“Companies Ordinance”</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
<b>“connected person”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“controlling shareholder”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“core connected person”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“Delegate”</b>	shall have the meaning ascribed to it under Rule 3.4;
<b>“Director(s)”</b>	means the director(s) of the Company for the time being;
<b>“Eligible Person(s)”</b>	means Employee Participant(s);
<b>“Employee Participant(s)”</b>	means any employee(s) of the Group, any Director(s) (which also include INED(s)) or any director(s) of a Subsidiary, and any person(s) to whom a grant of Options serves as an inducement to enter into employment contract(s) to become employee(s) of the Group;
<b>“Exercise Period”</b>	means the period to be determined and notified by the Board to a Grantee at the time of making an Offer to the Grantee which shall not expire later than 10 years from the Grant Date, subject to the provisions for early termination contained in Rule 17;
<b>“Exercise Price”</b>	means the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Exercise Period) provided always that it shall comply with the provisions of Rule 6;
<b>“Grant Date”</b>	means the date on which an Offer is made to an Eligible Person, which must be a Business Day;

<b>“Grantee”</b>	means any Eligible Person who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) any person entitled to exercise any Option in consequence of the death of the original Grantee;
<b>“Group”</b>	means the Company and its Subsidiaries from time to time, and <b>“member(s) of the Group”</b> shall be construed accordingly;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“INED(s)”</b>	means the independent non-executive director(s) of the Company;
<b>“Listing Committee”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Model Code”</b>	means the Model Code for Securities Transactions by Directors of Listed Issuers contained as an Appendix of the Listing Rules;
<b>“Nomination and Remuneration Committee”</b>	means a committee of the Board titled “Nomination and Remuneration Committee” established by the Board with corresponding terms of reference;
<b>“Offer”</b>	means an offer of the grant of an Option made in accordance with Rule 5;
<b>“Offer Letter”</b>	means a letter of the grant of an Option made in accordance with Rule 5.2;
<b>“Option”</b>	means a right to subscribe for Shares pursuant to the Scheme;
<b>“Option Price”</b>	means the amount of HK\$1.00 payable on acceptance of grant of an Option;

<b>“Scheme”</b>	means this share option scheme in its present form or as from time to time amended in accordance with the provisions hereof;
<b>“Scheme Limit”</b>	means the Scheme Mandate Limit and the Scheme Mandate (Specific) Limit;
<b>“Scheme Mandate Limit”</b>	shall have the meaning ascribed to it under Rule 12.1;
<b>“Scheme Mandate (Specific) Limit”</b>	shall have the meaning ascribed to it under Rule 12.1;
<b>“Senior Management”</b>	means the senior management staff of the Group as disclosed in the Company’s annual report as required under paragraph 12 of the appendix headed “Disclosure of Financial Information” of the Listing Rules;
<b>“SFO”</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“Shareholder(s)”</b>	means holder(s) of the Shares;
<b>“Shares”</b>	means ordinary shares in the share capital of the Company (or, if there has been a consolidation, reduction, re-classification, subdivision or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company as shall result from any such consolidation, reduction, re-classification, subdivision or reconstruction);
<b>“Share Scheme(s)”</b>	means share option scheme(s) and/or share award scheme(s) involving issuance of new Shares adopted and to be adopted by the Company from time to time;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary”</b>	means a subsidiary (within the meaning of section 15 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;

<b>“substantial shareholder”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“Vesting Date(s)”</b>	means the date or dates, as determined from time to time by the Board, on which an Option (or part thereof) is to vest in the Grantee of an Option set out in the Offer Letter relating thereto, unless the Vesting Date is accelerated in accordance with Rule 8.2;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency for the time being of Hong Kong; and
<b>“%”</b>	means per cent.

1.2 In the Scheme, unless the context otherwise requires:

1.2.1 rule headings are inserted for convenience only and do not affect its interpretation;

1.2.2 references to “Rules” are to rules of the Scheme;

1.2.3 references to time of day are to Hong Kong time;

1.2.4 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;

1.2.5 unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a committee of the Board or other person(s), the committee of the Board or such other person(s) shall enjoy the same absolute discretion;

1.2.6 words importing the singular include the plural and vice versa;

1.2.7 words importing a gender or the neuter include both genders and the neuter; and

1.2.8 references to persons include body corporate or unincorporate.

1.3 References in the Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.

- 1.4 References (express or implied) in the Scheme to ordinances and to statutory and regulatory provisions and the Listing Rules shall be construed as references to those ordinances, statutory and regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions from time to time (whether before or after the Adoption Date) and shall include any provisions of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant ordinance, statutory or regulatory provision or the Listing Rules.
- 1.5 In construing the Scheme:
- 1.5.1 the rule known as the *ejusdem generis* rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- 1.5.2 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## **2. CONDITIONS**

The Scheme is conditional on:

- 2.1 the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to (a) approve and adopt the Scheme; (b) authorise the Board to grant Options under the Scheme; and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted under the Scheme; and
- 2.2 the Listing Committee granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all Options to be granted in accordance with the terms and conditions of the Scheme.

## **3. PURPOSE, DURATION AND ADMINISTRATION**

- 3.1 The purpose of the Scheme is to recognise the contribution or value of the Eligible Persons, to motivate the Eligible Persons to deliver consistent and better performance in future in serving the Group, and to provide incentives in aid of the Company and other members of the Group in retaining their existing Eligible Persons and recruiting additional Eligible Persons and providing them with a direct economic interest in attaining and furthering the long-term business objectives of the Group, with Options granted or potentially to be granted to the Eligible Persons.



- 3.2 Subject to Rule 17, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Option shall be granted. Subject to the foregoing, in all other respects, in respect of the Options remaining outstanding on the expiration of the 10-year period referred to in this Rule, the provisions of the Scheme shall remain in full force and effect.
- 3.3 The Scheme shall be subject to the administration of the Board in its absolute discretion in accordance with the terms of the Scheme, whose decision (save as otherwise provided herein) shall be final and binding on all parties.
- 3.4 The authority or power to administer the Scheme generally and under any specific provision of the Scheme may be delegated by the Board to any person the Board considers appropriate (each, a “**Delegate**”) on terms and conditions as the Board sees fit, provided that nothing in this Rule 3.4 shall prejudice the Board’s power to revoke or modify such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 3.3.
- 3.5 Without prejudice to the Board’s general authority or power of administration, the Board may from time to time appoint one or more administrator(s), who may be independent third-party contractor(s), to assist in the administration of the Scheme. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board in its absolute discretion from time to time.
- 3.6 Subject to the Listing Rules and applicable laws and regulations, the Board shall have the power from time to time to:
- 3.6.1 construe and interpret the terms of the Scheme and the terms of the Options granted under the Scheme;
  - 3.6.2 make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the terms hereof;
  - 3.6.3 grant Options to those Eligible Persons whom it shall select from time to time;
  - 3.6.4 determine the terms and conditions of the Options;
  - 3.6.5 determine whether, and if so, since when a person has ceased to be an Eligible Person;
  - 3.6.6 establish, monitor and review the performance targets in respect of or applicable to the Options and the progress and achievement of such targets;
  - 3.6.7 approve the form of any Offer Letter; and

3.6.8 take such other steps or actions to give effect to the terms of the Scheme.

3.7 None of the Directors and the Delegates shall be personally liable by reason of any contract or other instrument executed by him or on his behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each of the Directors and the Delegates in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own willful default, fraud or bad faith.

#### **4. ELIGIBILITY OF ELIGIBLE PERSONS**

4.1 The eligibility of each of the Eligible Persons shall be determined by the Board from time to time and on a case-by-case basis.

4.2 Without limitation to the generality of Rule 4.1, with respect to Employee Participants, the Board will generally consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, individual contribution or potential contribution to the development and growth of the Group, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

#### **5. GRANT OF OPTIONS**

5.1 Subject to the terms of the Scheme (and in particular Rules 5.5, 5.6, 5.7, 5.8 and 12), the Board shall be entitled at any time within the period of 10 years commencing on the Adoption Date to make an Offer to any Eligible Person as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Exercise Price. The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its Subsidiaries before an Option may be exercised, or the time or period when the right to exercise an Option in respect of all or some of the Shares the subject of the Option will vest, or the clawback mechanism for the Company to recover or withhold an Option granted to any Eligible Person), all of which may be imposed (or not imposed) either on a case-by-case basis or generally, provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under the applicable laws or the Listing Rules.

5.2 A letter of Offer (the "**Offer Letter**") shall be in writing and shall:

- 5.2.1 state the Grant Date of the Offer;
- 5.2.2 specify a date, being a date not later than 21 days after the date on which the Offer was issued, by which the relevant Eligible Person must accept the Offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the Adoption Date;
- 5.2.3 state the method for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price;
- 5.2.4 state that the Option Price is not refundable and shall not in any circumstances be, or be deemed to be, a part payment of the Exercise Price;
- 5.2.5 specify the maximum number of Shares to which the Offer relates;
- 5.2.6 specify the Exercise Price;
- 5.2.7 specify the Exercise Period;
- 5.2.8 specify the Vesting Date on which the Option under the Offer will vest with a minimum vesting period of 12 months from the Grant Date of that Option during which that Option shall not become vested and exercisable, unless a shorter vesting period is specified by the Board under specific circumstances set out in the Scheme. The Board may determine a shorter vesting period on Options granted to any Employee Participants if the Board and/or the Nomination and Remuneration Committee deem appropriate under the following specific circumstances:
  - (a) grants of “make whole” Options to new Employee Participants to replace share awards or share options such Employee Participants forfeited when leaving their previous employers;
  - (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
  - (c) grants of Options which are subject to the fulfilment of performance targets pursuant to Rule 5.2.9;
  - (d) grants of Options that are made in batches during a year for administrative or compliance reasons, which may include Options that should have been granted earlier but had to wait for a subsequent batch, in such cases, the date of vesting may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements;

- (e) grants of Options with a mixed or accelerated vesting schedule such that the Options vest evenly over a period of 12 months; or
    - (f) grants of Options with a total vesting and holding period of more than 12 months;
  - 5.2.9 specify the performance target(s), if any, that must be duly fulfilled by the Grantee before the Option under the Offer may be vested to the Grantee. The Board may in respect of the Offer and subject to all applicable laws, rules and regulations determine such performance targets for the vesting of the Option under the Offer in its absolute discretion, such performance targets may include, among others, financial targets and management targets which shall be determined based on the (a) individual performance, (b) performance of the Group and/or (c) performance of business groups, business units, business lines, functional departments, projects and/or geographical areas managed by the Grantee. For the avoidance of doubt, an Option shall not be subject to any performance targets, criteria or conditions if none are set out in the related Offer;
  - 5.2.10 specify any other conditions which must be satisfied before the Option under the Offer may be exercised;
  - 5.2.11 require the relevant Eligible Person to undertake to hold the Option under the Offer on the terms on which it is granted and be bound by the provisions of the Scheme; and
  - 5.2.12 subject to the above, be made in such form as the Board may from time to time prescribe.
- 5.3 No Offer shall be made to, and no Option shall be capable of acceptance by, any Eligible Person:
- 5.3.1 during any period specified in rule 17.05 of the Listing Rules;
  - 5.3.2 in any circumstances which are prohibited under the Listing Rules, the SFO or where the requisite approval from any applicable regulatory authority has not been obtained or granted;
  - 5.3.3 in any circumstances that any member of the Group will be required under applicable laws, rules or regulations to issue a prospectus or other offer document in respect of such Option or the Scheme, unless the Board determines otherwise;
  - 5.3.4 where the grant of such Option would result in a breach of the Scheme Limit; and

- 5.3.5 (in case the Eligible Person is subject to the Model Code) during the periods or times in which the Eligible Person is prohibited from dealing in the Shares pursuant to the Model Code.
- 5.4 An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the Company receives the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance of the Option Price to the Company. Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral number thereof. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it shall be deemed to have been irrevocably declined and upon which, the subject Option with respect to the declined Offer will lapse. An Offer may not be accepted by a person who ceases to be an Eligible Person after the Offer has been made.
- 5.5 The provisions of Rules 5.6 to 5.9 and 6.1 shall be subject to any waiver or ruling granted by the Stock Exchange (if applicable), and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules which these Rules have been drafted to reflect as at the Adoption Date. For the purposes of Rules 5.6 and 5.8, “**Relevant Shares**” means Shares issued and to be issued in respect of all options and awards granted under all Share Schemes (excluding any options and awards lapsed in accordance with the terms of the relevant Share Scheme) to the relevant Grantee in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the Grant Date of the relevant Option referred to in Rule 5.6 or 5.8 (as the case may be).
- 5.6 Subject to Rule 5.7, no Option shall be granted to any Eligible Person (“**Relevant Eligible Person**”) if it would result in the number of Relevant Shares exceeding 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant Grant Date, unless:
- 5.6.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his close associates (or associates if the Relevant Eligible Person is a connected person) abstained from voting;
- 5.6.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

- 5.6.3 the number and terms (including the Exercise Price) of such Option are fixed before the general meeting of the Company at which the same are approved.
- 5.7 Where an Option is to be granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee.
- 5.8 Where an Option is to be granted to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, and the grant will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant Grant Date, such grant shall not be valid unless:
- 5.8.1 a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee) to the independent Shareholders as to voting); and
- 5.8.2 the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the relevant Grantee, his associates and all core connected persons of the Company abstained from voting in favour. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.
- 5.9 Where any change is to be made to the terms of any Option granted to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, and:
- 5.9.1 such grant has been approved in accordance with Rule 5.8; or
- 5.9.2 (where the grant was not subject to Rule 5.8) as a result of such proposed change the grant would come to be subject to Rule 5.8,
- such change shall not be valid unless:
- (a) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

(b) the change has been approved by the Shareholders in general meeting (taken on a poll), at which the relevant Grantee, his associates and all core connected persons of the Company abstained from voting in favour. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

5.10 Without prejudice to the generality of the foregoing and subject to Rule 6.1, the Board may in its absolute discretion grant Options in respect of which the Exercise Price is fixed at different prices for certain periods during the Exercise Period.

5.11 Any change to the terms of the Options granted to a Grantee must be approved by the Board, the Nomination and Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options requires such approval, except where the alterations take effect automatically under the existing terms of the Scheme.

## **6. EXERCISE PRICE**

6.1 Subject to Rules 6.2 and 14, the Exercise Price shall be a price determined by the Board and notified to an Eligible Person and shall be at least the higher of:

6.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a Business Day; and

6.1.2 the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date.

6.2 Where an Option is to be granted under Rule 5.6 or 5.8, for the purposes of Rule 6.1, the date of the Board meeting at which the grant was proposed shall be taken to be the Grant Date for such Option, and the provisions of Rule 6.1 shall apply accordingly.

## **7. VESTING AND EXERCISE OF OPTIONS**

7.1 The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria, conditions and/or periods for any Option to be vested hereunder.

7.2 If a Vesting Date is not a Business Day, the Vesting Date shall be the next immediate succeeding Business Day.

7.3 Unless otherwise stated in the Scheme, an Option shall be vested after meeting the vesting period and the conditions set out in the Offer Letter relating to it.

- 7.4 An Option may be exercised in whole or in part by the Grantee to whom the Option relates (or his personal representatives) before its expiry by giving notice in writing (in form approved by the Board) to the Company stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Any partial exercise of the Option shall be in respect of such number of Shares as from time to time constituting a board lot for the purposes of trading Shares on the Stock Exchange. Such notice must be accompanied by a remittance 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 (where appropriate) receipt of the Auditors' certificate or the certificate of the independent financial adviser to the Company under Rule 14, the Company shall issue and allot the relevant Shares to the Grantee (or his personal representatives) credited as fully paid and issue to the Grantee (or his personal representatives) a share certificate in respect of the Shares so issued and allotted.
- 7.5 Subject to the terms of grant of any Option and the provisions of Rule 13, an Option may be exercised by the Grantee to whom the Option relates (or his personal representatives) at any time during the Exercise Period, provided that:
- 7.5.1 subject to Rule 8, where the holder of an outstanding Option ceases to be an Eligible Person for any reason, the Option shall lapse on the date of cessation and shall not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be his last actual working day at his workplace with the Company or such Subsidiary whether salary is paid in lieu of notice or not;
  - 7.5.2 if a general offer by way of a take-over is made to all holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall promptly give notice thereof to the Grantee and the Grantee (or his personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company;
  - 7.5.3 if a general offer by way of a scheme of arrangement is made to all the holders of Shares and the scheme has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall promptly give notice thereof to the Grantee and the Grantee (or his personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice;



7.5.4 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 promptly give notice thereof to the Grantee and the Grantee (or his personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent specified in such notice, and the Company shall as soon as possible and, in any event, no later than three Business Days immediately prior to the date of the proposed general meeting referred to above, issue, allot and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option; and

7.5.5 in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in Rule 7.5.3, between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall promptly give notice thereof to the Grantee and the Grantee (or his personal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days immediately prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

And provided further that in determining the entitlement of any Grantee to exercise an Option relating to him at any particular date, the Board may in its absolute discretion, subject always to the minimum vesting requirement as specified in Rule 5.2.8, relax or waive, in whole or in part, any conditions, restrictions or limitations imposed in relation to that Option pursuant to the provisions of Rule 5.1 and/or deem the right to exercise that Option in respect of the Shares the subject thereof to have been exercisable notwithstanding that according to the terms of that Option such right shall not have then been vested.

7.6 The Shares to be issued and allotted upon the exercise of an Option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. Any Share issued and allotted upon the exercise of an Option shall not carry voting rights until the name of the relevant Grantee has been duly entered on the register of members of the Company as a holder thereof.

## **8. CESSATION OF EMPLOYMENT AND OTHER EVENTS**

- 8.1 Subject to Rule 8.2 and unless the Board determines otherwise in its absolute discretion, if a Grantee ceases to be an Eligible Person by reason of (a) death; (b) retirement of such Grantee at his normal retirement date pursuant to his service agreement or employment contract or any retirement policy of the relevant member of the Group as applicable to him from time to time or such other date as may be agreed in writing with his employer; (c) termination of the Grantee's employment or contractual engagement with the relevant member of the Group as applicable to him by reason of his permanent physical or mental disablement; (d) termination of the Grantee's employment or contractual engagement with the relevant member of the Group as applicable to him on compassionate grounds (e.g. ill-health); or (e) termination of the Grantee's employment or contractual engagement with the relevant member of the Group as applicable to him by reason of redundancy, any or all of his outstanding unvested Options shall not lapse and shall continue to vest in accordance with the vesting schedule relating to such Options and the Grantee shall be able to exercise the Option at any time during the Exercise Period.
- 8.2 Subject to Rule 5.2.8(b), the Board or the Nomination and Remuneration Committee may from time to time determine, in its absolute discretion, to accelerate the vesting schedule of any outstanding unvested Options under exceptional circumstances such as on compassionate grounds for ill-health or incapacity or death-in-service.
- 8.3 Subject to Rule 8.2, in the event of the death of a Grantee:
- 8.3.1 where the Grantee was granted with Options which have been vested but not yet exercised at the time of his death, the personal representatives of the Grantee may exercise such outstanding Options at any time during the Exercise Period; and
- 8.3.2 where the Grantee has outstanding unvested Options which have not lapsed at the time of his death, such Options shall continue to vest in accordance with vesting schedule relating to such Options and the personal representatives of the Grantee may exercise such Options when vested at any time during the Exercise Period.
- 8.4 Rules 8.1 and 8.3 shall apply to a Grantee if, but only if, none of the events which would be a ground for termination of employment of that Grantee as specified in Rule 11.1.5 has arisen. If any of the events set out in Rules 7.5.2 to 7.5.5 occurs, the Grantee or his personal representatives (as the case may be) may only so exercise his Options to the extent and within such of the various periods respectively set out in Rules 7.5.2 to 7.5.5 (as the case may be).

## **9. CLAWBACK**

- 9.1 Unless the Board determines otherwise in its absolute discretion, no further Options shall be granted to a Grantee and the outstanding Options, whether vested or unvested, granted to such Grantee shall be clawed back and shall lapse and not be exercisable accordingly under any of the following circumstances:
- (a) the Grantee has failed to fulfill the performance and vesting conditions of such Options;
  - (b) the performance measurement or result for determining the grant of the Option(s) was based on data which is later proven to have been manifestly misstated or based on erroneous assumptions;
  - (c) the Grantee is involved in serious misconduct, fraud, acceptance or solicitation of bribery, corruption, theft, leaking of trade and technical secrets, or other malfeasances;
  - (d) the Grantee has violated any of the internal control policies of any member of the Group, the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group; or
  - (e) the Grantee ceases to be an Eligible Person due to reasons as stated in Rule 11.1.5.
- 9.2 The clawback arrangement under Rule 9.1 may also apply when past decisions or actions (or lack of the required or expected actions as reasonably expected for discharging responsibilities) made by a Grantee in previous years have caused a significant adverse business, financial or capital impact on any member of the Group, its risk profile, or its individual business division's financial performance and internal control including potential risk concerns, and that such Grantee has to bear direct or functional responsibility.
- 9.3 Where an Option granted to any Grantee has been vested and already exercised at the time when such Option would have been subject to clawback under Rule 9.1 or 9.2 (as the case may be) if it had not been so exercised, the Grantee shall return to the Company, as determined by the Board in its absolute discretion, either (a) the exact number of the Shares in respect of such Option so exercised, or (b) the monetary amount equivalent to the value of such Shares.

## **10. TRANSFERABILITY AND OTHER RIGHTS**

- 10.1 An Option shall be personal to the Grantee to whom the Option relates and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any of his Options.

- 10.2 Any actual or purported breach of Rule 10.1 by a Grantee shall entitle the Company to cancel any outstanding Options or part thereof granted to such Grantee without incurring any liability on the part of the Company. For this purpose, a determination by the Board to the effect that a Grantee has or has not breached any of the foregoing shall be final, conclusive and binding on the Grantee.
- 10.3 The Options do not carry any right to vote in general meeting of the Company, or any right to transfer or any other rights, including those arising on the liquidation of the Company.

## **11. LAPSE OF OPTIONS**

- 11.1 The right to exercise an Option (to the extent not already exercised) shall lapse and terminate immediately upon the earliest of:
- 11.1.1 the expiry of the Exercise Period;
  - 11.1.2 the expiry of any of the periods referred to in Rules 7.5.1, 7.5.2, 7.5.4 or 7.5.5;
  - 11.1.3 subject to the scheme of arrangement referred to in Rule 7.5.3 becoming effective, the expiry of the period referred to in Rule 7.5.3;
  - 11.1.4 subject to Rule 7.5.4, the date of the commencement of the winding-up of the Company;
  - 11.1.5 the date on which the Grantee to whom the Option relates (if he is an employee or director of any member of the Group) ceases to be an Eligible Person by reason of the termination of his employment or directorship on the grounds that he has resigned, has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts, or has committed any act of bankruptcy, or has become insolvent, or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or on any other grounds on which an employer would be entitled to terminate his employment summarily. A determination by the Board or the board of directors of the relevant Subsidiary to the effect that the employment of that Grantee has or has not been terminated on one or more of the grounds specified in this Rule 11.1.5 shall be conclusive and binding on that Grantee and, where appropriate, his personal representatives;
  - 11.1.6 the date on which the Grantee to whom the Option relates commits a breach of Rule 10.1;

11.1.7 the date as determined by the Board upon the occurrence of any event, circumstance, thing or matter in relation to which the clawback arrangement under Rule 9 would apply; and

11.1.8 subject to Rule 7.5.1, the date the Grantee ceases to be an Eligible Person for any other reason.

## 12. SCHEME LIMIT

12.1 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 Share Schemes must not in aggregate exceed 31,957,510 of the Shares in issue (the “**Scheme Mandate Limit**”), representing 10% of issued Shares as at the Adoption Date. Without limitation to the generality of and in addition to the foregoing, the total number of Shares which may be issued in respect of all Options to be granted under the Scheme only must not in aggregate exceed 3,195,751 Shares, i.e. 10% of the Scheme Mandate Limit (the “**Scheme Mandate (Specific) Limit**”), representing 1% of the issued Shares as at the Adoption Date.

12.2 For the purposes of calculating the Scheme Mandate Limit and the Scheme Mandate (Specific) Limit under Rule 12.1, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant Share Scheme(s) will not be regarded as utilised; and Shares which are the subject of any options or awards that have been cancelled in accordance with the terms of the relevant Share Scheme(s) will be regarded as utilised.

12.3 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders’ approval for the last refreshment or, as the case may be, the Adoption Date, provided that:

12.3.1 the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of issued Shares as at the date of such Shareholders’ approval of the refreshment of the Scheme Mandate Limit; and

12.3.2 a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

12.4 Further to the requirements set out under Rule 12.3, any refreshment of the Scheme Mandate Limit within three years from the date of the Shareholders’ approval for the last refreshment or, as the case may be, the Adoption Date must be approved by the Shareholders in general meeting subject to the following provisions:

- 12.4.1 any controlling shareholder of the Company and its associates (or if there is no such controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- 12.4.2 the Company must comply with the requirements under rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- 12.4.3 the requirements under Rules 12.4.1 and 12.4.2 do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 12.5 For the avoidance of doubt, the Scheme Mandate (Specific) Limit shall be automatically refreshed as and when the corresponding Scheme Mandate Limit are refreshed pursuant to Rule 12.3 or Rule 12.4 (as the case may be).
- 12.6 The Company may seek separate approval from the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit or the Scheme Mandate (Specific) Limit being exceeded, provided that:
- 12.6.1 the grant is only to Eligible Persons specifically identified by the Company before the approval is sought; and
- 12.6.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.
- 12.7 If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit or the Scheme Mandate (Specific) Limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued by the Company pursuant to the Scheme and all other Share Schemes under the unutilised Scheme Mandate Limit or the Scheme Mandate (Specific) Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

### 13. CANCELLATION AND REDEMPTION OF OPTIONS

- 13.1 Notwithstanding any other provision of the Scheme, the Board shall be entitled in its absolute discretion at any time and from time to time to cancel any Option in whole or part by giving notice in writing to the Grantee to whom the Option relates stating that such Option is thereby cancelled with effect from the date of such notice (the “**Cancellation Date**”).
- 13.2 Such right of cancellation shall continue to apply, notwithstanding that a Grantee may have exercised an Option relating to him in respect of particular Shares, until those Shares have been allotted and issued, provided that:
- 13.2.1 if the Board does so cancel an Option, the Option shall be deemed to have been cancelled in respect of those Shares immediately prior to the exercise thereof in respect of those Shares by the Grantee; and
- 13.2.2 the Company shall return to the Grantee the amount paid to the Company in respect of such exercise of an Option.
- 13.3 Where any Option is cancelled pursuant to Rule 13.1, the Grantee shall, subject as hereinafter provided, be entitled to receive a payment in cash to compensate him for such cancellation. Such amount of payment shall be calculated by reference to the number of Shares (the “**Applicable Shares**”) which would have been issued on full exercise of the unexercised portion of the Option or, in the case of cancellation in part, the number of Shares that are not to be issued as a result of such cancellation and valuing the same at the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the Cancellation Date and deducting therefrom the aggregate amount which would have been payable for the Applicable Shares at the Exercise Price on exercise of such right, but so that (a) if the same shall result in a negative figure there shall be no entitlement to any such payment; and (b) if the Exercise Price is not the same for all the Applicable Shares, separate calculations shall be made in respect of each portion of the Applicable Shares for which the Exercise Price is the same, as if such right of cancellation had been exercised separately in respect of each such portion of Applicable Shares.
- 13.4 The payment provided in Rule 13.3 shall be made as follows:
- 13.4.1 such payment shall be made on the date on which the right to exercise the Option in respect of the Applicable Shares could (but for such cancellation) first have been exercised according to the terms thereof (that is to say, all conditions precedent to exercise have been met so that the Grantee would have been permitted to exercise the Option according to its terms) but in the event that such right could (but for such cancellation) have first been exercised in respect of part only of the Applicable Shares on one date and in respect of the balance on a subsequent date or dates, such payment

shall be made by pro rata instalments on the dates on which such right could first have been exercised (but for such cancellation) in respect of the respective numbers of Applicable Shares (and so that in the event the right to exercise the Option in respect of all or part of the Applicable Shares could not have been exercised as aforesaid within the relevant period for exercise according to the terms of the Option, there shall be no entitlement to any payment in respect thereof);

13.4.2 if the date on which the right to exercise the Option in respect of the Applicable Shares (or part of the Applicable Shares, as the case may be) could first be exercised shall have occurred, payment shall instead be made on the date which falls seven days after the Cancellation Date; and

13.4.3 any such payment which is made shall be increased (subject to any withholding or deduction required by law) by an amount equal to interest thereon in respect of the period from the Cancellation Date to the date of payment at such rate not exceeding Dah Sing Bank, Limited's prime rate per annum as the Board may determine.

13.5 Rules 13.1 to 13.4 are subject to the following:

13.5.1 if, prior to any payment provided for in Rule 13.3 being made, the Grantee shall have ceased to be an Eligible Person (otherwise than in the circumstances set out in Rule 8.1) or any other circumstances shall have occurred as a result of which the Option would have otherwise by then lapsed, the Grantee's entitlement to receive such payment or any further payment pursuant to this Rule 13 shall be cancelled and he will have no further right in respect thereof; and

13.5.2 the Board shall be entitled to vary, relax or waive the application of the provisions in this Rule 13 in such manner as it may consider appropriate or expedient in any particular case, the general intent being that (taking account of any relaxation or waiver of conditions, restrictions or limitations of the Option referred to in the proviso at the end of Rule 7.5) no Grantee shall be entitled to receive payment (or interest thereon) in respect of any Applicable Shares in circumstances where he would not have been able to have subscribed for such Shares according to the terms of the Option and the Scheme if there had been no such cancellation.

13.6 Any payment made by the Company pursuant to this Rule 13 shall be charged to its profit and loss account.

13.7 In addition to the right of cancellation set out in Rule 13.1, the Company may cancel an Option granted but not exercised with the approval of the Grantee of that Option.



13.8 Options may be granted to an Eligible Person in place of his cancelled Options provided that there are available Scheme Mandate Limit and Scheme Mandate (Specific) Limit.

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

14.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, arising from capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of capital of the Company in accordance with legal requirements and requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made in:

14.1.1 the number of Shares subject to the Option so far as unexercised;

14.1.2 the Exercise Price for the Shares subject to the Option so far as unexercised;

14.1.3 the Shares to which the Option relates; and

14.1.4 the method of exercise of the Option,

or any combination thereof as the Auditors or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in their opinion fair and reasonable provided that any such adjustments give a Grantee the same proportion of equity capital of the Company, rounded to the nearest whole Share, as to which that Grantee was previously entitled and the aggregate Exercise Price payable by that Grantee on the full exercise of his Options shall remain as nearly as possible the same (but not greater than) as it was before such event. Save in the case of a capitalisation issue, the Auditors or the independent financial adviser to the Company must confirm to the Directors in writing that such adjustment(s) satisfy the requirements prescribed under the Listing Rules.

14.2 If there has been any alteration in the capital structure of the Company as referred to in Rule 14.1, the Company shall within 28 days after receipt of the Auditors' certificate or the certificate of the independent financial adviser to the Company as referred to in Rule 14.1, inform each Grantee of such alteration and of any adjustment to be made in accordance with the Auditors' certificate or the certificate of the independent financial adviser to the Company obtained by the Company for such purposes.

14.3 For the purposes of this Rule 14, the capacity of the Auditors or the independent financial adviser to the Company is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees. Their costs shall be borne by the Company.

## **15. DISPUTES**

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding on the Company and the Grantees.

## **16. ALTERATION OF THE SCHEME**

16.1 Any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Grantees or prospective Grantees or any alterations to the terms and conditions of the Scheme which are of a material nature must be approved by the Shareholders in general meeting. Any other alterations to the provisions of the Scheme may be effected by the Board. No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the Articles (or the equivalent constitutional documents of the Company for the time being) for a variation of the rights attached to the Shares.

16.2 Any change to the authority of the Board in relation to any alteration of the terms of the Scheme shall not be valid unless approved by the Shareholders in general meeting.

16.3 The amended terms of the Scheme or the Options must comply with Chapter 17 of the Listing Rules.

## **17. TERMINATION**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Scheme and in such event no further Option will be offered or granted but in all other respects the provisions of the Scheme shall remain in full force and effect in respect of Options which are granted and remain unexpired immediately prior to the termination of the operation of the Scheme. The Options which are granted and remain unexpired immediately prior to the termination of the operation of the Scheme shall continue to be valid and exercisable in accordance with the Scheme.

## **18. OTHER CONDITION**

A Grantee shall not engage in personal hedging strategies or remuneration and liability related insurance to hedge his exposure in respect of any outstanding Options which have been granted to him but not yet vested.

## 19. GENERAL

19.1 Notwithstanding any Rule or provision of the Scheme:

19.1.1 the Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as appropriate) and any Eligible Person; where an Eligible Person is an employee of the Company or any Subsidiary, the rights and obligations under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such an Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason; and

19.1.2 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.

19.2 The Company shall bear the costs of establishing and administering the Scheme, including without limitation, costs arising from communication as referred to in Rule 19.4, costs of third-party service providers and professional advisers rendering services for the proper establishment, administration, management, operation, reporting and compliance and monitoring of the Scheme.

19.3 A Grantee shall be entitled to receive copies of all notices and other documents which relate to the Scheme sent by the Company to holders of Shares.

19.4 Any notice or other communication between the Company and a Grantee may be given by personal delivery, by prepaid post, by fax or by email to, in the case of the Company, its principal place of business in Hong Kong at 26/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong or as otherwise notified to the Grantees from time to time and, in the case of the Grantee, his correspondence address as notified to the Company from time to time.

19.5 Any notice or other communication between the Company and a Grantee shall be deemed to have been received:

19.5.1 in the case of delivery by hand, when delivered;

19.5.2 in the case of prepaid post, on the second day following the day of posting;

19.5.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received; or

- 19.5.4 in the case of email, at the time of transmission.
- 19.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.
- 19.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction other than Hong Kong (or otherwise determined by the Board) in order to permit the grant or exercise of his Option. A Grantee shall pay all taxes and discharge all liabilities to which he may become subject to as a result of his participation in the Scheme or the exercise of his Options. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or liability to which the Grantee may become subject as a result of his participation in the Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain the consent, pay the tax or discharge the liability referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company. The Company shall not be responsible for the lapse of any Options granted to any Eligible Person by reason of the operation of Rule 11.1.
- 19.8 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Rules, and any such deletion shall not affect the enforceability of these Rules as remain not so deleted.
- 19.9 In the event that an Option lapses or the rights or benefits in respect of the Option (and any or all of the underlying Shares) are cancelled or forfeited in accordance with these Rules, the relevant Grantee shall have no claims against the Company and any other member of the Group and shall not be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed.
- 19.10 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 19.11 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the provisions of the Scheme. The Board shall also have the power to delegate its powers to grant Options to Eligible Persons and to determine the Exercise Price, to the Company's chief executive officer or managing director from time to time, subject to the requirements and restrictions set out in the Scheme and the Listing Rules.

- 19.12 No Grantee shall enjoy any of the 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 that Option.
- 19.13 By participating in the Scheme, a Grantee consents to the holding, processing, storage and use of personal data or information concerning him by any member of the Group or other third party service provider(s), in Hong Kong or elsewhere, for the purpose of the establishment, administration, management, operation, reporting and compliance and monitoring of the Scheme. Such consent permits, but is not limited to, the following:
- 19.13.1 the administration and maintenance of records of the Grantee;
  - 19.13.2 the provision of data or information to members of the Group or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
  - 19.13.3 the provision of data or information to future purchasers or merger partners of the Company, the Grantee's employing company, or the business in which the Grantee works;
  - 19.13.4 the transfer of data or information about the Grantee to a country or territory outside the Grantee's home country which may not provide the same statutory protection for the information as his home country; and
  - 19.13.5 in the case where an announcement is required to be made pursuant to the Listing Rules for the purposes of granting an Option, the disclosure of the identity of such Grantee, the number of Shares underlying the Option and the terms of the Option granted and/or to be granted and all other information as required under the Listing Rules.

A Grantee is entitled, on payment of a reasonable fee, to a copy of the personal data held about him, and if such personal data is inaccurate, the Grantee has the right to have it corrected.

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

- End of Scheme -