

# **MAINLAND HEADWEAR HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock code: 1100)

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## **SHARE OPTION SCHEME**

adopted on [       ] 2022

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# RULES OF SHARE OPTION SCHEME

## OF

### MAINLAND HEADWEAR HOLDINGS LIMITED

#### 1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, save where the context otherwise requires, the following expressions have the respective meanings set opposite them:

<u>Expressions</u>	<u>Meanings</u>
“associate”	having the meaning as ascribed in the Listing Rules
“Adoption Date”	[ ] 2022 (the date on which this Scheme is conditionally adopted by resolution of the shareholders of the Company in general meeting)
“Auditors”	the auditors for the time being of the Company
“Board”	the board of directors of the Company or a duly authorised committee thereof
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Commencement Date”	in respect of any particular Option, the date on which the Option is accepted in accordance with the terms of this Scheme
“Company”	Mainland Headwear Holdings Limited, a company incorporated in Bermuda with limited liability
“Director(s)”	the director(s) of the Company from time to time
“Eligible Participant”	the person who may be invited by the Directors to take up Options as referred to in paragraph 4.1 when, in the absolute discretion of the Board, such person has contributed or may contribute to the Group
“Eligible Employee”	any employee, executive or officer (whether full time or part time, including any executive director) of the Company or any Subsidiary (including persons who are granted Options as an inducement to enter into employment contracts with the Company or such Subsidiary)
“Grantee”	any Eligible Participant who accepts an Offer in

	accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and/or its Subsidiaries, as the case may be
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the offer of the grant of an Option made in accordance with paragraph 4
“Offer Date”	the date on which an Offer is made to an Eligible Participant, which must be a business day
“Option”	a right granted to subscribe for Shares pursuant to this Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the date of acceptance of the Offer of such Option to the earlier of the date on which such Option lapses under the provisions of paragraph 7 and 10 years from the Offer Date of that Option
“other schemes”	means other than this Scheme, all other schemes involving the grant by the Company or any of the Subsidiaries of options over Shares or other securities of the Company or any of the Subsidiaries to, or for the benefit of, specified participants of such schemes or any arrangement involving the grant of options to participants over Shares or other securities of the Company or any of the Subsidiaries which, in the opinion of the Stock Exchange, is analogous to a share option scheme as described in Chapter 17 of the Listing Rules
“Scheme” or “this Scheme”	the share option scheme in its present form or as amended from time to time in accordance with the provisions hereof

“Shares”	shares of HK\$0.1 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share , capital of the Company from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in paragraph 5
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

1.2 In this Scheme, save where the context otherwise requires:

- (i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (ii) references to paragraphs are references to paragraphs of this Scheme;
- (iii) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (iv) expressions in the singular shall include the plural and vice versa;
- (v) expressions in any gender shall include other genders; and
- (vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises and branches.

1.3 The purpose of this Scheme is to enable the Group to grant options to selected participants as incentive or rewards for their contributions to the Group.

## **2. CONDITIONS**

2.1 This Scheme shall take effect subject to:

- (i) the passing of the necessary resolution by the shareholders of the Company to approve and adopt this Scheme, and to authorise the Directors to grant Options and to allot, issue and deal with Shares pursuant

to the exercise of any Options granted under this Scheme; and

- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of Options granted hereunder.

No Option shall be granted until the Scheme takes effect upon the fulfillment of the above conditions.

2.2 If any of the above conditions are not satisfied within 2 calendar months after the Adoption Date:

- (a) this Scheme shall forthwith determine; and
- (b) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.

### **3. DURATION AND ADMINISTRATION**

3.1 Subject to paragraphs 2 and 13, this Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date after which period no further Options may be issued. However, Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of this Scheme may continue to be exercisable in accordance with their terms of issue after the end of the 10-year period.

3.2 This Scheme shall be subject to the administration of the Board and the decision of the Board (save as otherwise provided herein) shall be final and binding on all parties.

### **4. GRANT OF OPTION**

4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of this Scheme, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such Subscription Price as the Directors shall, subject to paragraph 9, determine:

- (a) any Eligible Employee;
- (b) any non-executive directors (including independent non-executive directors) of the Company or any Subsidiary;
- (c) any supplier of goods or services to any member of the Group;
- (d) any customer of any member of the Group;
- (e) any person or entity that provides research, development or other technological support to any member of the Group; and

- (f) any partner or joint-venture partner of any member of the Group.

For the purposes of this Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants. For the avoidance of doubt, any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under this Scheme.

- 4.2 The making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any non-executive Director who or whose associate is the proposed Grantee of an Option).
- 4.3 The basis of eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.
- 4.4 An Offer shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant to whom an Offer is made for a period of 28 days from the Offer Date, provided that no such Offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after this Scheme has been terminated in accordance with the provisions hereof
- 4.5 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 duplicate 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 in favour of the Company of HK\$1.00 by way of consideration for the grant thereof; is received by the Company. Such remittance shall in no circumstances be refundable.
- 4.6 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of such number of shares as represents a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within 28 days (or such shorter period referred to in paragraph 4.4) in the manner indicated in paragraph 4.5, it will be deemed to have been irrevocably declined.
- 4.7 An Offer must not be made after inside information (as defined under the Listing Rules) has come to the knowledge of the Company until (and including) the trading day after the Company has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:
- (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period

(whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Options may be granted.

No Option may be granted during any period of delay in publishing a results announcement.

## **5. SUBSCRIPTION PRICE**

The Subscription Price shall, subject to the adjustment made pursuant to paragraph 9 hereof, be a price determined by the Board and notified to an Eligible Participant and shall not be less than the higher of:

- (i) the nominal value of the Shares;
- (ii) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date, which shall be a business day; and
- (iii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Offer Date.

## **6. EXERCISE OF OPTIONS**

- 6.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.
- 6.2 An Option may be exercised in whole or in part in the manner as set out in paragraphs 6.3 and 6.4 by the Grantee (or his or her legal personal representatives) 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 such notice must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance and, where appropriate, receipt of the Auditors certificate pursuant to paragraph 9, the Company shall allot and issue the relevant Shares to the Grantee (or his or her legal personal representatives) credited as fully paid and issue or procure the issue to the Grantee (or his or her legal personal representatives) a share certificate in respect of the Shares so allotted.
- 6.3 No Option shall be capable of exercise in part (other than to the full extent outstanding) except in amounts or multiples of such number of Shares as shall represent the board lot in which Shares are for the time being traded on the Stock Exchange.
- 6.4 Subject as hereinafter provided, the Option may be exercised by the Grantee at any time during the Option Period, provided that:
  - (i) in the event that the Grantee leaves the services of the Group by reason of

ill-health, disability (all evidenced to the satisfaction of the Directors) or death or retirement in accordance with the retirement provisions of his contract of employment, he or (as the case may be) his personal representatives may exercise all or part of his Options within a period being the earlier of six months after he so ceases and the expiration of the relevant Option Period. Any Options not so exercised shall lapse and determine at the end of the said period provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;

- (ii) by reason of voluntary resignation or by termination of his employment in accordance with the termination provisions of his contract of employment by his employing company, or because his employing company ceases to be a member of the Group, all his Options to the extent not already exercised shall lapse and determine on the date he so ceases provided that in any such case the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide;
- (iii) (other than the cases where the Grantee being an Eligible Employee) in the event that the Grantee ceases to be an Eligible Participant for any reason, the Option granted to such Grantee will automatically lapse on the date of such cessation (to the extent not already exercised) and will not be exercisable unless the Board otherwise determines to grant an extension at the absolute discretion of the Board in which event the Grantee may exercise the Option within such period of extension and up to a maximum entitlement directed at the absolute discretion of the Board on the date of grant of extension (to the extent which has become exercisable and not already exercised) and subject to any other terms and conditions decided at the discretion of the Board;
- (iv) if in consequences of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control (as defined in The Codes on Takeovers and Mergers and Share Buy-backs) of the Company, then the Directors shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time within the period of one month alter the date on which the general offer becomes or is declared unconditional to exercise any Option in whole or in part, and to the extent that it has not been so exercised, any Option shall upon the expiry of such period cease and determine provided that it, during such period, such person becomes entitled to exercise rights of compulsory acquisition of shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, Options shall be and remain exercisable until one month from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine;
- (v) if notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, every Option shall be exercisable in whole or in part (but so that any exercise hereunder



shall only be valid if at the time of such resolution being passed, the Option shall not have ceased and determined in accordance with the foregoing provisions of this Scheme) at any time thereafter until the resolution is duly passed or defeated or the meeting concluded or adjourned sine die, whichever shall first occur. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine; and

- (vi) if a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice thereof to all Grantees on the same date as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing on such date and ending on the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the relevant court be entitled to exercise his Option, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the relevant court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised under this paragraph. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares A issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as may be as would have been the case had such Shares been subject to such compromise or arrangement.

6.5 The Shares to be allotted upon the exercise of an Option will not carry voting rights until the registration of the Grantee (or his nominee or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of Options will rank *pari passu* with the fully paid Shares in issue on the date on which the name of Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the name of Grantee is registered on the register of members of the Company other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date on which the name of Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of members of the Company is re-opened. Prior to the Grantee (or the Grantee's nominee, if applicable) being registered on the Company's register of members, the Grantee shall not have any voting rights, or rights to participate in any dividend or distribution (including those arising on a liquidation of the Company), in respect of the Option granted to the Grantee and the Shares to be issued upon the exercise of the Option.

6.6 Options granted but not exercised or lapsed in accordance with the terms of this Scheme may be cancelled by the Company with the approval of the Grantee. Where the Company cancels the Options and offers to issue new ones to the same

Grantee, the issue of such new Options may only be made under this Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph 8 of this Scheme.

- 6.7 Unless the Directors otherwise determine and state in the offer of the grant of Options to a Grantee, a Grantee is not required to achieve any performance targets before any options granted under this Scheme can be exercised or held any option granted under this Scheme for any minimum period before it can be exercised.

## **7. LAPSE OF OPTION**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the period referred to in paragraph 4.6;
- (iii) the expiry of the periods referred to in paragraph 6.4;
- (iv) the date of commencement of the winding-up of the Company; and
- (v) the date on which the Grantee commits a breach of paragraph 6.1.

## **8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 8.1 The number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under this Scheme and any other schemes adopted by the Group shall not exceed 30% of the issued share capital of the Company from time to time. No options may be granted under this Scheme or any other schemes adopted by the Group if the grant of such option will result in the limit referred to in this paragraph being exceeded.
- 8.2 The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of this Scheme or any other schemes of the Group) to be granted under this Scheme and any other schemes of the Group must not in aggregate exceed 10% of the Shares in issue on the Adoption Date (“**General Scheme Limit**”) provided that:
- (a) subject to paragraph 8.1 and without prejudice to paragraph 8.2(b), the Company may by the issue of a circular to and approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with this Scheme or any other schemes of the Group) previously granted under this Scheme or any other schemes of the Group will not be counted; and

- (b) subject to paragraph 8.1 and without prejudice to paragraph 8.2(a), the Company may by the issue of a circular and separate shareholders' approval in general meeting to grant Options under this Scheme beyond the General Scheme Limit or, if applicable, the limit referred to in paragraph 8.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 8.3 Subject to paragraph 8.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other schemes of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of Options to a Grantee under this Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under this Scheme and any other schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Grantee and his associates abstaining from voting. The number and terms (including the Subscription Price) of Options to be granted to such Grantee must be fixed before the shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription Price.
- 8.4 Any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the relevant Grantee). Where any grant of Options to a substantial shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (a) representing in aggregate over 0.1 % of the Shares in issue; and
  - (b) having an aggregate value, based on the closing price of the Shares at the Offer Date of each Offer, in excess of HK\$5 million;such further grant of Options must be approved by shareholders of the Company.
- 8.5 For the purpose of seeking the approval of the shareholders of the Company under paragraphs 8.2, 8.3 and 8.4, the Company must send a circular to the shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.
- 8.6 Any change in the terms of Options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates must be approved by the shareholders of the Company in general meeting.

## 9. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, 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 or in the event of any distribution of the Company's capital assets to its shareholders on a pro rata basis (whether in cash or in specie) other than dividend paid out of the net profits attributable to its shareholders for each financial year of the Company (“**Relevant Event**”), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised;
- (ii) the Subscription Price; or
- (iii) the method of exercise of the Option;

or any combination thereof, as the Directors may deem appropriate, having received a statement in writing from the Company's independent financial adviser or Auditors certifying, either generally or as regard any particular Grantee, that they have, in their opinion, satisfied the requirement that such adjustments fulfill the requirements as stated in this Scheme and the Listing Rules and such guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including without limitation the “Supplementary Guidance on Rule 17.03(13) of the Main Board Listing Rules and the Note immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme) and are fair and reasonable and give each Grantee the same proportion of the equity capital as that to which that person was previously entitled, but that no such adjustments shall have the effect of rendering:

- (i) the Subscription Price payable upon the exercise of any Option becoming less than the nominal value of the Share,
- (ii) the aggregate Subscription Price relating to any Option being increased, and
- (iii) the proportion of equity capital of the Company to which the Grantee is entitled after the adjustment(s) becoming otherwise than that to which he was entitled prior to the adjustment(s),

provided further that where such Relevant Event arises from an issue of Shares, references herein to Options shall include references to Options that have been exercised prior to the date of such adjustment(s) in respect of Shares which pursuant to paragraph 14.7 do not rank and are not entitled to participate in such issue.

Notice of any such adjustment(s) shall be given to the Grantee by the Company.

The capacity of the Company's independent financial adviser or Auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Company's independent financial adviser or Auditors shall be borne by the Company.

## **10. SHARE CAPITAL**

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorized but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

## **11. DISPUTES**

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

## **12. ALTERATION OF THIS SCHEME**

12.1 The Directors may from time to time in their absolute discretion waive or amend such of the rules of this Scheme as they deem desirable save and except the following which shall be approved by the shareholders of the Company in general meeting:

- (a) alteration to the terms and conditions of this Scheme to the advantage of the Eligible Participants relating to the matters set out in rule 17.03 of the Listing Rules;
- (b) alteration to the terms and conditions of this Scheme which are of a material nature (excluding the alterations take effect automatically under the existing terms of this Scheme); and
- (c) any alteration to the terms and conditions of the Options granted (excluding the alterations take effect automatically under the existing terms of this Scheme).

The amended terms of this Scheme must comply with Chapter 17 of the Listing Rules.

12.2 Any change to the authority of the Directors or (if any) administrators of the Scheme in relation to any alteration to the terms of this Scheme must be approved by shareholders of the Company in general meeting.

## **13. TERMINATION**

The Company by resolution in general meeting or the Board may 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 thereto or otherwise as may be required in accordance with the provisions of this Scheme. Option granted prior to but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with this Scheme.

Upon such termination, details of the Options granted (including options exercised or outstanding) under this Scheme are required under the Listing Rules to be disclosed in the circular to shareholders seeking approval of the first new scheme established thereafter.

#### **14. MISCELLANEOUS**

- 14.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 14.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights 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.
- 14.3 The Company shall bear the costs of establishing and administering this Scheme.
- 14.4 A Grantee shall not be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares generally.
- 14.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong at Units 2301–2305, 23rd Floor, FTLife Tower, No. 18 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address in Hong Kong as notified to the Company from time to time.
- 14.6 Any notice or other communication served by post:
  - (i) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
  - (ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 14.7 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and the place where the company is incorporated, and a Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such

consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.

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

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