

DATED THE [date], 2022

Honbridge Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

conditionally adopted by the Shareholders of the Company

on [date], 2022

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1. DEFINITIONS

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

“Adoption Date”	means [date] 2022, the date on which this Scheme is conditionally adopted by a resolution of the Shareholders;	
“associate”	has the meaning ascribed thereto under the GEM Listing Rules;	
“Auditors”	means the auditors for the time being of the Company;	
“Board”	means the board of Directors or a duly authorised committee thereof;	
“Business Day”	means a day (other than Saturdays, public holidays and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business;	
“chief executive”	has the meaning ascribed thereto under the GEM Listing Rules;	
“close associate”	has the meaning ascribed thereto under the GEM Listing Rules;	
“Company”	means Honbridge Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (GEM stock code: 8137);	
“connected person”	has the meaning ascribed thereto under the GEM Listing Rules;	
“core connected person”	has the meaning ascribed thereto under the GEM Listing Rules;	
“Directors”	means the directors of the Company and “Director” shall be construed accordingly;	
“Eligible Employee”	means any employee (whether full time or part time employee, including any executive Directors) of the Company, any of its subsidiaries and any Invested Entity;	23.03(2)
“GEM”	means GEM operated by the Stock Exchange;	
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM (as amended from time to time);	
“Grantee”	means any Participant who accepts the offer of the grant of any Option in accordance with the terms and conditions of this Scheme or (where the context so permits) a person who, in accordance with the applicable laws of succession, is entitled to any such Option(s) (to the extent not already exercised) as a result of the death of the	23.03(2)

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	Participant, or (where the context so permits) the legal representative of such Participant;	
“Group”	means the Company and its subsidiaries from time to time and “member(s) of the Group” shall be construed accordingly;	
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;	
“Invested Entity”	means any entity in which the Group holds any equity interest;	
“Offer Date”	means in respect of an Option, the date (which must be a Business Day) on which such Option is offered to a Participant;	
“Option”	means a right granted under this Scheme to subscribe for Shares pursuant to this Scheme and for the time being subsisting, and “Options” shall be construed accordingly;	
“Option Period”	means in relation to an Option, the period, which is notified by the Board to each Grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years commencing on the Offer Date of such Option and that the Board may at its discretion determine the minimum period for which the Option has to be held before the exercise of the Option;	23.03(5) & (6)
“other schemes”	means any other share option scheme(s) involving the grant by the Company or any of its subsidiaries of options over new securities issued by the Company or any of its subsidiaries established by the Company or any of its subsidiaries in accordance with Chapter 23 of the GEM Listing Rules or any other share option scheme(s) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 23 of the GEM Listing Rules;	
“Participant”	means any Director, Eligible Employee, adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any Invested Entity whom the Board in its sole discretion considers eligible for the Scheme on the basis of his/her contribution to the development and growth of the Group	23.03(2)
“Scheme”	means this share option scheme in its present or any amended form;	
“Scheme Period”	means a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive);	23.03(11)
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;	
“Shareholder(s)”	means the holder(s) of Shares;	
“Shares”	means ordinary shares of HK\$0.001 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-	

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classification or re-construction of such shares from time to time) in the capital of the Company;

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subscription Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in Clause 5 and shall be stated in the letter containing the offer of the grant of any Option;
“subsidiary”	has the meaning ascribed thereto under the GEM Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules;
“Takeovers Code”	means The Code on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong.

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

- (A) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme;
- (B) references herein to Clauses are to the clauses of this Scheme;
- (C) 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;
- (D) expressions in singular shall include the plural and vice versa;
- (E) expressions in any gender shall include every gender; and
- (F) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

2. **CONDITIONS**

- 2.1 This Scheme shall take effect subject to (i) the passing of the necessary resolutions by the Shareholders in general meeting to approve and adopt the Scheme; and (ii) the GEM Listing Committee (as defined in the GEM Listing Rules) of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be issued upon the exercise of the Option(s) granted under this Scheme.
- 2.2 Reference in Clause 2.1 to the Stock Exchange formally granting the approval for the listing of, and permission to deal in, the Shares referred to therein shall include any such approval and permission which are granted subject to conditions.

23.02(1)

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- 2.3 A certificate of the Board that the conditions as set out in Clause 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date shall be conclusive evidence of the matters so certified.

3. PURPOSE, DURATION AND ADMINISTRATION

- 3.1 The purpose of this Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity. Given that the Board are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Board, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted. 23.03(1)
- 3.2 Subject to Clauses 2 and 13, this Scheme shall be valid and effective for the Scheme Period, after which no further Option(s) will be granted but the provisions of this Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any Option(s) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Option(s) complying with the provisions of the GEM Listing Rules which are granted during the Scheme Period and remain unexercised immediately prior to the end of the Scheme Period shall continue to be exercisable in accordance with their terms of grant within the Option Period for which such Option(s) are granted, notwithstanding the expiry of this Scheme. 23.03(11)
- 3.3 This Scheme shall be subject to the administration of the Board (including the independent non-executive Directors) whose decision (save as otherwise provided herein) shall be final and binding on all parties. The Board (or such committee) shall have the right (i) to interpret and construe the provisions of this Scheme, (ii) to determine the persons who will be awarded Option(s) under this Scheme, and the number and Subscription Price of Option(s) awarded thereto, (iii) to make such appropriate and equitable adjustments to the terms of Option(s) granted under this Scheme as it deems necessary, and (iv) to make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.
- 3.4 No member of the Board or committee of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board or committee of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including counsel 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 this Scheme unless arising out of such person's own fraud or bad faith.
- #### **4. GRANT OF OPTION(S)**
- 4.1 On and subject to the terms and conditions of this Scheme and the GEM Listing Rules, the Board shall be entitled at any time and from time to time within the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, Option(s) to subscribe for such number of Shares as the Board may determine at the Subscription Price provided that the granting of Option(s) under this Scheme to any Grantee which is a company or is a discretionary object of a Participant which is a discretionary trust shall be subject to the execution by the Grantee or trustee and/or the beneficial 23.03(2)

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owners in favour of the Company of an undertaking not to effect or permit any change in ultimate beneficial ownership of such Grantee so long as the Option so granted to such Grantee or any part thereof remains exercisable. For the purposes of this Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the classes of Participants. For the avoidance of doubt, the grant of any option(s) by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the classes of Participants shall not, by itself, unless the Board otherwise determined, be construed as grant of Option(s) under this Scheme. The basis of eligibility of any of the class of Participants to the grant of any Option(s) shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity.

- 4.2 No offer of grant of Option(s) shall be made after any inside information (as defined in the SFO) has come to the knowledge until (and including) the trading day after it has announced the information pursuant to the requirements of the GEM Listing Rules. 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 GEM Listing Rules) for approval of the results of the Company for any year, half-year, quarter-year period (if applicable) or any other interim period (whether or not required under the GEM Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarter-year (if applicable) or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the announcement of the results, no Option(s) may be granted. The period during which no Option(s) may be granted will cover any period of delay in the publication of a results announcement. The Board may not grant any Option(s) to a Participant who is a Director during the periods or times in which such Director is prohibited from dealing in the Shares prescribed by the Model Code for Securities Transactions by Directors of Listed Issuers of the GEM Listing Rules or any corresponding codes or securities dealing restrictions adopted by the Company. 23.05
- 4.3 An offer of the grant of Option(s) shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option(s) on the terms on which it is to be granted and to be bound by the provisions of this Scheme. The grant shall be personal to the Participant concerned and, shall not be transferable or assignable, and the offer shall remain open for acceptance by the Participant concerned for a period of twenty-one (21) days from the date on which the letter containing the offer is delivered to that Participant (the last day of said twenty-one (21) days period being the "Last Acceptance Date") provided that no such offer shall be open for acceptance after the Scheme Period or after this Scheme has been terminated.
- 4.4 An offer of the grant of Option(s) shall be deemed to have been accepted and the Option(s) shall be deemed to have been granted and to have taken effect (with retrospective effect from the Offer Date) when the duplicate letter of grant of such Option(s) comprising acceptance of the Option(s) 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 as consideration for the grant thereof is received by the Company before or on the Last Acceptance Date. Such remittance shall in no circumstances be refundable. 23.03(8)
- 4.5 Any offer of the grant of Option(s) may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of such number of Shares as represents a board lot for the time being for the purposes of trading on the Stock Exchange or an integral multiple thereof. To the extent that the offer of the grant of Option(s) is not accepted on or before the Last Acceptance Date in the manner indicated in Clause 4.4, it will be deemed to have been irrevocably rejected by the Participant and will lapse automatically.

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- 4.6 Each grant of Option(s) to a Director, chief executive (other than a proposed director or proposed chief executive of the Company) or substantial shareholder, or any of their respective associates, under this Scheme or any other schemes shall comply with the requirements of Rule 23.04(1) of the GEM Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option(s)). 23.04(1) & note (2)
- 4.7 Without prejudice to the generality of Clause 4.6, in case of any change in the terms of Option(s) granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates; or where any grant of Option(s) 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 Option(s) exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: 23.04(1) & note (1)
- (A) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the relevant class of Shares in issue; and
- (B) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other higher percentage as may from time to time be specified by the Stock Exchange),
- such further grant of Option(s) must be approved by the Shareholders in general meeting. The Company shall send a circular to all Shareholders containing all the information required under Rule 23.04(3) of the GEM Listing Rules no later than the date on which the Company gives notice of the general meeting to approve the Scheme. The proposed Grantee(s) of the Option(s), their associates and all core connected persons of the Company must abstain from voting at such general meeting, unless they intend to vote against the relevant resolution at such general meeting and such intention to do so has been stated in said circular. Pursuant to Rule 17.47(4) of the GEM Listing Rules, a vote taken at the meeting to approve the grant of such Options must be taken on a poll. The Company must comply with Rules 17.47(5), 17.47A, 17.47B and 17.47C of the GEM Listing Rules. Any change in the terms of the Option(s) granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates must be approved by the Shareholders in general meeting. The requirements for the grant of an option to a Director or chief executive of the Company set out in Rules 23.04(1), (2) and (3) of the GEM Listing Rules shall not apply where the proposed Grantee is only a proposed Director or proposed chief executive of the Company.
- 4.8 The circular referred to in Clause 4.7 shall contain: 23.04(3)
- (A) details of the number and terms (including the Subscription Price, Option Period, performance targets (if any), the amount payable, the period within which the payment must be made, basis of determination of Subscription Price and the rights attached to the Shares or the Option(s)) of the Option(s) to be granted to each such substantial shareholder or independent non-executive Director, or any of their respective associates, which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Subscription Price under note (1) to Rule 23.03(9) of the GEM Listing Rules;
- (B) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the Option(s)) to the independent Shareholders as to voting;

- (C) the information required under Rules 23.02(2)(c) and (d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and
- (D) the information required under Rule 2.28 of the GEM Listing Rules.

5. SUBSCRIPTION PRICE

The Subscription Price in respect of any particular Option(s) shall, subject to the adjustments referred to in Clause 9.1, be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option(s) (and shall be stated in the letter containing the offer of the grant of the Option(s)) but in any case the Subscription Price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the Option(s), which must be a Business Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the date of the grant of the Option(s); and (iii) the nominal value of a Share on the date of grant of the Option. Without prejudice to the generality of the foregoing, the Board may grant Option(s) in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different period shall be determined in the manner as set out in this Clause 5.

23.03(9)
& note (1)

6. EXERCISE OF OPTION(S)

- 6.1 Option(s) granted shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of any third party over or in relation to any Option(s) granted or enter into any agreement so to do, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of this Scheme. Where the Grantee is a company, any change of its major shareholder or any substantial change in its management as determined by the Board at its sole discretion will be deemed to be a sale or transfer of interest as aforesaid, if so determined by the Board at its sole discretion. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option(s) or part thereof granted to such Grantee (to the extent not already exercised) in accordance with Clause 14, without incurring any liability on the Company.
- 6.2 Option(s) may be exercised in whole or in part in the manner as set out in Clauses 6.3 and 6.4 and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on GEM for the time being, by the Grantee (or, as the case may be, such Grantee's legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within twenty-eight (28) days (seven (7) days in the case of exercise pursuant to Clause 6.3(E)) after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's independent financial advisers or Auditors pursuant to Clause 9.1, the Company shall allot the relevant number of Shares to the Grantee (or such Grantee's legal personal representative(s)) credited as fully paid and issue to the Grantee (or such Grantee's legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- 6.3 Subject as hereinafter provided in this Scheme, the Option(s) may be exercised by the Grantee (or, as the case may be, such Grantee's legal personal representative(s)) at any time during the Option Period provided that:

23.03(17)

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- (A) in the event of the Grantee, being an Eligible Employee at the date of the grant of the Option(s), ceases to be an Eligible Employee for any reason other than such Grantee's death, ill-health or retirement in accordance with his contract of employment or the termination of his or her employment on one or more of the grounds specified in Clause 6.3(C), then, if the Option Period has not at the date of such cessation commenced, the Option shall lapse; and if the Option Period has commenced, the Grantee may exercise the Option in accordance with this Scheme, up to his or her entitlement at the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised) which date shall be the last actual working day with the Company or the relevant subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as the Board may determine; 23.03(12)
- (B) in the event that the Grantee ceases to be a Participant by reason of death, ill-health or retirement in accordance with his contract of employment before exercising the options in full (provided that none of the events which would be a ground for termination of his or her employment under Clause 7(E) arises prior to his or her death, ill-health or retirement in accordance with his contract of employment, in the case the Grantee is an Eligible Employee at the date of the grant of the Option), the legal personal representative(s) of this Grantee, or, as appropriate, the Grantee shall be entitled within a period of twelve (12) months from the date of cessation which date shall be the last day on which the Grantee was physically at work with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not or (or such longer period as the Board may determine) to exercise the Option in whole or in part (to the extent which has become exercisable and not already exercised prior to such date of cessation); 23.03(12)
- (C) If the Grantee of an Option is a Participant and ceases to be a Participant by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group or the relevant Invested Entity into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his Option will lapse automatically and will not be exercisable on or after the date of ceasing to be a Participant;
- (D) If the Board shall at their absolute discretion determine that (i)(1) the Grantee of any Option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any relevant Invested Entity on the other part; or (2) that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (ii) the option granted to the Grantee under the Scheme shall lapse as a result of any event specified in items (1), (2) or (3) in (i) above, his Option will lapse automatically and will not be exercisable on or after the date on which the Board have so determined;
- (E) in the event of a general or partial offer (whether by way of take-over offer, merger, share repurchase offer, or privatisation proposal by scheme of arrangement or otherwise in like manner) is made to all the 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 concert (as defined in the Takeovers Code) with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, 23.03(12)

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mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer, having been approved (if required) in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee shall, even though the Option Period has not yet commenced, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time within fourteen (14) days after the date on which such offer becomes or is declared unconditional;

- (F) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) and thereupon, each Grantee, subject to the provisions of all applicable laws (or where permitted under Clause 6.3(B), his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her or its Options (to the extent which has become exercisable and not already exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company; and 23.03(10)
- (G) in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the restructuring, reconstruction or amalgamation of the Company pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a compromise or arrangement, and thereupon any Grantee (or where permitted under Clause 6.3(B) his or her legal personal representative(s)) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given (such notice to be received by our Company not later than two Business Days prior to the proposed meeting) exercise his or her or its Option (to the extent which has become exercisable and not already exercised), but the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her or its Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of 23.03(10)

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Grantees to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

- 6.4 There is no performance target that has to be achieved before the exercise of any Option except otherwise imposed by the Board pursuant to Clause 4.1 and stated in the offer of grant of an Option. 23.03(7)
- 6.5 The Shares to be allotted and issued upon the exercise of an Option will be identical to the then existing issued shares of the Company subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the 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 when the name of the Grantee is registered on the register of members of the Company (the “**Exercise Date**”) and accordingly will entitle the holder to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date, provided always that when the date of exercise of the Option falls on a day 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. Any Share allotted and issued upon exercise of an Option shall not carry any voting right or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register until the completion of the registration of the Grantee on the register of members of the Company as the holder thereof. Unless the context otherwise requires, references to “Shares” in this Clause 6.5 include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or re-construction of the share capital of the Company from time to time. 23.03(10)
- 6.6 Any Share allotted and issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.
- 6.7 For the purposes of Clause 6.3(A) and 6.3(B) a Grantee shall not be regarded as ceasing to be an employee (including any executive Director), officer (including any non-executive Director), agent, consultant or representative of the Company or any subsidiary if he/she ceases to hold a position of employment, office, agency, consultancy or representation with the Company or any particular subsidiary but at the same time he/she takes up or holds a different position of employment, office, agency, consultancy or representation with the Company or another subsidiary, as the case may be.
- 6.8 If the Grantee is a company wholly-owned by one or more Participants: Clauses 6.3(A), 6.3(B), 6.3(C) and the expiration of the Option Period shall apply to the Grantee and to the Options to such Grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in Clauses 6.3(A), 6.3(B), 6.3(C) and the expiration of the Option Period shall occur with respect to the relevant Participant, and the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly-owned by the relevant Participant provided that the Board may in their absolute discretions decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

7. LAPSE OF OPTION

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

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- (A) the expiry of the Option Period;
- (B) the expiry of the Option Period or any of the periods referred to in Clause 6.3(A), 6.3(B), 6.3(F) or 6.3(G);
- (C) the date on which the offer (or as the case may be, revised offer) referred to in Clause 6.3(E) closes;
- (D) subject to Clause 6.3(F), the date of the commencement of the winding-up of the Company,
- (E) in the event that the Grantee is an Eligible Employee at the date of the grant of the Option, the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment on any one or more of the grounds that he or she has been guilty of misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary or the relevant Invested Entity. A resolution of the Board or the board of Directors of the relevant subsidiary or the board of Directors of the relevant Invested Entity to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 7(E) shall be conclusive and binding on the Grantee;
- (F) subject to Clause 6.3(G), the date when the proposed compromise or arrangement becomes effective;
- (G) the date on which the Grantee commits a breach of Clause 6.1;
- (H) the date on which the Options are cancelled in accordance with Clause 14 below;
- (I) the date on which the Grantee joins a company which the Board believes in its sole and reasonable opinion to be a competitor of the Company;
- (J) if the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her or its associate has committed any breach of any contract entered into between the Grantee or his or her or its associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her or its creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee (whether exercisable or not) shall lapse. In such event, his or her or its Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined; or
- (K) unless the Board otherwise determines, and other than in the circumstances referred to in Clauses 6.3(A) or 6.3(B), the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.1

- (A) 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 and any other schemes) to be granted under this Scheme and any other schemes shall not, in aggregate, exceed 10% of the total number of Shares in issue on the Listing Date unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under this Scheme as set out in Clause 8.1(B). 23.03(3) & note (1)
- (B) Subject to Clauses 8.1(E) and without prejudice to Clause 8.1(D), the Company may issue a circular to the Shareholders and seek approval from the Shareholders in general meeting for refreshing the 10% limit such that the total number of Shares which may be issued upon the exercise of all Options to be granted under this Scheme and any other schemes as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of said approval from the Shareholders provided that Options previously granted under this Scheme or any other schemes (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of this Scheme or any other share option scheme) will not be counted for the purpose of calculating the limit as “refreshed”. 23.03(3) & note (1)
- (C) For the purpose of seeking the approval of Shareholders under Clause 8.1(B), a circular containing the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules must be sent to the Shareholders.
- (D) Subject to Clause 8.1(A) and without prejudice to Clause 8.1(B), the Company may issue a circular to the Shareholders and seek separate approval from the Shareholders in general meeting for granting Options beyond the 10% limit or, if applicable, the extended limit referred to in Clause 8.1(B) provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval from the Shareholders under this Clause 8.1(D), the Company must send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the Participants with an explanation as to how the terms of Options serve such purpose and the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer as required under Rule 23.02(4) of the GEM Listing Rules. 23.03(3)
- (E) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under this Scheme and any other schemes must not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under this Scheme or any other schemes if this will result in the limit set out in this Clause being exceeded. 23.03(3) & note(2)

8.2

- (A) Subject to Clause 8.2(B), no Participant shall be granted Options which, if exercised in full, would result in the total number of Shares already issued under all the Options granted to him or her which have been exercised and issuable under all the Options granted to him which are for the time being subsisting and unexercised in any 12-month period would exceed 1% of the total number of Shares in issue. 23.03(4) Note
- (B) Where any further grant of Option to a Participant, if exercised in full, would result in the total number of Shares already issued under all the Options granted to him which have 23.03(4) Note

been exercised and issuable under all the Options granted to him which are for the time being subsisting and unexercised in any 12-month period exceed 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his or her or its close associates (or his or her or its associates if such Participant is a connected person) abstaining from voting, provided that if approved by Shareholders in general meeting with such Participant and his or her or its close associates (or his or her or its associates if such Participant is a connected person) abstaining from voting, our Company may make further grant of Options to such Participant (the "Further Grant") notwithstanding that the Further Grant would result in the total number of Shares already issued under all the Options granted to such Participant which have been exercised and issuable under all the Options granted to him which are for the time being subsisting and unexercised in any 12-month period exceed 1% of the total number of Shares in issue. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted and Options previously granted to such Participant and the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before the Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the Subscription Price under Clause 5.

- 8.3 Subject to Clauses 8.1 and 8.2, the number of Shares subject to Options and to this Scheme may be adjusted, in such manner as the Company's independent financial adviser or Auditors (acting as experts and not as arbitrators) shall certify in writing to the Board to be in their opinion fair and reasonable in accordance with Clause 9.

9. REORGANISATION OF CAPITAL STRUCTURE

- 9.1 In the event of any adjustment of the subscription price or the number of Shares of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, rights issue or other similar offer of securities to holders of Shares, consolidation, subdivision or reduction or similar reorganisation of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made in: 23.03(13)

- (A) the number of Shares subject to the Option so far as unexercised; and/or 23.03(13)
- (B) the Subscription Price; and/or
- (C) the method of exercise of the Option; and/or
- (D) the maximum number of Shares referred to in Clause 8.1(E) and the Further Grant referred to in Clause 8.2(B),

as the Company's independent financial adviser or Auditors shall certify in writing to the Board to be in their opinion fair and reasonable, provided that:

- (I) the alteration must first satisfy the requirements of the relevant provision of the GEM Listing Rules and such other applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Exchange (including, but not limited to, the "Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note immediately after the Rule" attached to the letter from the Exchange dated 5 September 2005 to all issuers relating to the share option scheme);

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- (II) any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he or she or it was entitled to before such alteration and that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as close as possible (but shall not be lower than) as it was before such event;
- (III) no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value; and
- (IV) no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction.

9.2 In addition, in respect of any such alteration as provided in this Clause 9, other than any made on a capitalisation issue, the Company's independent financial adviser or the Auditors must certify or confirm in writing (as the case may be) to the Directors that the alterations satisfy the requirements of the relevant provision of the GEM Listing Rules and such other applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Exchange (including, but not limited to, the "Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note immediately after the Rule" attached to the letter from the Exchange dated 5 September 2005 to all issuers relating to the share option scheme).

9.3 The capacity of the Company's independent financial adviser and the Auditors in this Clause 9 is that of experts and not of arbitrators and their certification, in the absence of manifest error, shall be final and binding on the Company and the Grantees.

9.4 The costs of the Company's independent financial advisers and the Auditors shall be borne by the Company.

10. SHARE CAPITAL

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

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 Company's independent financial advisers or the Auditors who shall act as experts and not as arbitrators and whose decision shall be final and binding.

12. ALTERATION OF THIS SCHEME

The Scheme may be altered in any respect by resolution of the Board except that:

- 12.1 The terms and conditions of this Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of Participants except with the prior approval of the Shareholders in general meeting.
- 12.2 Any alterations to the terms and conditions of this Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of this Scheme.
- 12.3 Any change to the authority of the Board in relation to any alteration to the terms and conditions of this Scheme shall be approved by the Shareholders in general meeting except where the alteration take effect automatically under the existing terms of this Scheme.

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12.4 The amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and 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 number of grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under this Scheme and provided further that any alterations to the terms and conditions of this Scheme which are of a material nature shall first be approved by the Exchange.

12.5 The Company must provide to all Grantees all details relating to changes in the terms and conditions of this Scheme during the life of this Scheme immediately upon such changes taking effect.

13. **TERMINATION**

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of this Scheme and in such event no further Option will be offered but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of this Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme. Details of the Options granted, including Options exercised or outstanding, under this Scheme and (if applicable) Options that become void or non-exercisable as a result of the termination shall be disclosed in the circular to Shareholders seeking approval of the first new scheme to be established after such termination.

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14. **CANCELLATION OF OPTIONS**

14.1 Any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant Grantee. For the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph 6.3(C).

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14.2 Any vote taken at the meeting to approve such cancellation must be taken by poll. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of this Scheme.

14.3 Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding cancelled Options) within the limit approved by the Shareholders as mentioned in Clause 8.1.

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(14) Note

14.4 For the avoidance of doubt, Options which have been exercised shall not be regarded as cancelled Options.

15. **MISCELLANEOUS**

15.1 This Scheme shall not form part of any contract of employment, office, agency, consultancy or representation between the Company or any of its subsidiaries and any Participant and the rights and obligations of any Participant under the terms of his or her office or employment, office, agency, consultancy or representation shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such an Participant no additional rights to compensation or damages in consequence of the termination of such employment, office, agency, consultancy or representation for any reason.

15.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company or any of its subsidiaries directly or

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indirectly or give rise to any cause of action at law or in equity against the Company or any of its subsidiaries, other than in relation to the rights attached to the Options themselves.

- 15.3 The Company shall bear the costs of establishing and administering this Scheme.
- 15.4 The Company shall provide a summary of the terms of this Scheme available for inspection to all Grantees upon their joining this Scheme at its principal place of business during normal office hours and send a copy of the rules of this Scheme to any Grantee who requests such a copy.
- 15.5 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares.
- 15.6 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business, currently, at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong or as otherwise notified to the Grantees from time to time and, in the case of the Grantee, his or her residential address in Hong Kong (or elsewhere acceptable to the Company) or its registered address or principal place of business in Hong Kong (or elsewhere acceptable to the Company) as notified to the Company from time to time.
- 15.7 Any notice or other communication served by post:
- (A) by the Company shall be deemed to have been served 24 hours after the same was put in the post or, if delivered by hand, be deemed to be served when delivered; and
 - (B) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 15.8 The 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 or its participation in this Scheme.
- 15.9 A Grantee shall pay all taxes and discharge all other liabilities to which he or she may become subject as a result of his or her participation in this Scheme or the exercise of any Option.
- 15.10 By accepting an Option, a Grantee shall be deemed irrevocably to have accepted the grant of Option subject to the provisions of this Scheme and to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him or her or it for loss of any rights under this Scheme.
- 15.11 The Board shall procure that details of this Scheme are disclosed in the annual reports and half-yearly reports of the Company including the number of Options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/half-yearly reports in compliance with the GEM Listing Rules in force from time to time. The Company shall be entitled to make (even in the absence of agreement by the Grantee) any statement or disclosure in relation to the Options granted to the Grantee that may be required by law or the requirements of any internationally recognised stock exchange or any regulatory authorities, or in compliance with the GEM Listing Rules in force from time to time.
- 15.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with Hong Kong laws. The Company, each of its Subsidiaries and each Grantee submit to the non-exclusive jurisdiction of the Hong Kong courts in all matters relating to the Scheme and any Option.