
KRP Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

Conditionally adopted pursuant to the written resolution of the shareholders of
KRP Development Holdings Limited passed on [*] 2022

1. DEFINITIONS AND INTERPRETATION

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

"Adoption Date"	means [*] 2022 (being the date on which the Scheme was conditionally adopted by written resolutions of the Shareholders in general meeting);
"associate(s)"	has the meaning ascribed thereto under the Listing Rules;
"Auditors"	means the auditors of the Company for the time being;
"Board"	means the board of Directors or a duly authorised committee of the board of Directors;
"Business Day"	means any day on which securities are traded on the Stock Exchange;
"Commencement Date"	means in respect of any particular Option, the date on which the Offer of such Option is accepted in accordance with the terms of the Scheme;
"Company"	means KRP Development Holdings Limited, a limited liability company incorporated in the Cayman Islands whose Shares are to be listed on the Stock Exchange;
"Connected Person(s)"	has the meaning ascribed thereto under the Listing Rules;
"Director"	means any director (including executive director,

non-executive director and independent non-executive director) of the Company for the time being;

- "Eligible Participant(s)"** means full-time or part-time employees (including the Directors), executives or officers of the Group and any suppliers, customers, consultants, agents, advisers and related entities who, in the sole opinion of the Board, have contributed or will contribute to the Group;
- "Grantee"** means any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee;
- "Group"** means the Company and its Subsidiaries;
- "HK\$"** means Hong Kong dollars, the lawful currency for the time being of Hong Kong;
- "Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China;
- "Listco Connected Person"** means any director, the chief executive or any substantial shareholder of the Company or any of their associates;
- "Listing Committee"** means the listing committee of the Stock Exchange;
- "Listing Date"** means the date on which dealings in the Shares first commence on the Stock Exchange;
- "Listing Document"** means the listing document of the Company proposed to be issued;
- "Listing Rules"** means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
- "Offer"** means an offer of the grant of an Option made in accordance with paragraph 4;
- "Offer Date"** means the date on which an Offer is made to an Eligible Participant, which must be a Business Day;
- "Offer Letter"** has the meaning ascribed to it under paragraph 4.2;

"Option"	means a right to subscribe for Shares pursuant to the Scheme and the Offer Letter (as defined in paragraph 4.2) hereof;
"Option Period"	means a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall commence on the Commencement Date and expire in any event not later than the last day of the 10 year period after the Commencement Date (subject to the provisions for early termination contained in paragraph 7);
"Option Price"	means the amount of HK\$1.00 payable for each acceptance of an Offer;
"Relevant Eligible Participant"	has the meaning ascribed to it under paragraph 4.5;
"Scheme"	means this share option scheme in its present or any amended form;
"Shareholders"	means the shareholders of the Company for the time being;
"Shares"	means fully paid ordinary shares of HK0.01 each in the capital of the Company (or, if there has been a sub-division, consolidation, reduction, re-classification or reconstruction of the share capital of the Company, ordinary shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subscription Price"	means the price at which each Share subject to an Option may be subscribed for on the exercise of that Option, subject to paragraph 5 and paragraph 9;
"Subsidiary"	means a subsidiary (within the meaning of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company for the time being, whether incorporated in Hong Kong or elsewhere;
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules; and

"%" means per cent.

1.2 In the Scheme, unless the context otherwise requires:

- 1.2.1 paragraph headings are inserted for convenience only and do not affect its interpretation;
- 1.2.2 words in the singular include the plural and vice versa;
- 1.2.3 words denoting the masculine gender include the feminine gender; and
- 1.2.4 a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted.

2. CONDITIONS

2.1 The Scheme is conditional on:

- 2.1.1 the Listing Committee granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any such Options;
- 2.1.2 the passing of the resolutions by the Shareholders to approve and adopt the Scheme and to authorise the Board to grant Options under the Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- 2.1.3 the commencement of dealings in the Shares on the Stock Exchange.

2.2 If any of the conditions set out in paragraph 2.1 is not satisfied on or before the expiry of six months after the Adoption Date:

- 2.2.1 the Scheme shall immediately terminate;
- 2.2.2 any Option granted or agreed to be granted pursuant to the Scheme and any Offer of such a grant shall be of no effect;
- 2.2.3 no person shall be entitled to any rights or benefits or be under any obligations in respect of the Scheme or any Option; and
- 2.2.4 any amount(s) paid by any Grantee(s) in respect of the Option Price shall be refunded (without interest) by the Company.

2.3 A certificate of a Director that the conditions set out in paragraph 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 and the exact date of the "Adoption Date" shall be conclusive evidence of the matters certified.

3. PURPOSE, DURATION AND ADMINISTRATION

3.1 The purpose of the Scheme is to provide incentive or reward to Eligible Participants for their contribution to, and continuing efforts to promote the

interests of, the Group and for such other purposes as the Board may approve from time to time.

- 3.2 Subject to the fulfilment of conditions in paragraph 2.1 and the termination provisions in paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing after the Adoption Date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10 year period referred to in this paragraph, the provisions of the Scheme shall remain in full force and effect.
- 3.3 The Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall be final and binding on all parties.

4. GRANT OF OPTIONS

- 4.1 Subject to the terms of the Scheme, the Board shall be entitled but shall not be bound at any time within the period of 10 years after the Adoption Date to make an Offer to any Eligible Participant, taking into account such factors as the Board may at its discretion consider appropriate, which will entitle the relevant Eligible Participant to subscribe for such number of Shares as the Board may in its absolute discretion determine, being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, subject to paragraphs 4.4, 4.5, 4.6 and 8, at the Subscription Price as the Board may determine. The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its Subsidiaries, before an Option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme and the Listing Rules.
- 4.2 Each Offer shall be in writing made to an Eligible Participant by letter in such form as the Board may from time to time determine (the “**Offer Letter**”) and shall :
 - 4.2.1 state the name, address and position of the Grantee;
 - 4.2.2 state the Offer Date;
 - 4.2.3 specify a date, being a date not later than 28 days after (i) the Offer Date, or (ii) the date on which the conditions for the Offer are satisfied, if any, by which the Eligible Participant must accept the Offer or be deemed to have declined it;
 - 4.2.4 state the method and procedures for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the Option Price;
 - 4.2.5 state that the Option Price is not refundable (except in the cases of paragraphs 2.2 and 4.12) and shall not in any circumstances be, or be deemed to be, a part payment of the Subscription Price;

- 4.2.6 specify the number of Shares to which the Offer relates;
 - 4.2.7 specify the Subscription Price and the manner of payment of the Subscription Price for the Shares on and in consequence of the exercise of the Option;
 - 4.2.8 specify the Option Period, and the date or dates during the Option Period upon which the Option shall become exercisable;
 - 4.2.9 specify any other conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets as the Board may determine from time to time;
 - 4.2.10 require the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme; and
 - 4.2.11 subject to the above, be made in such form as the Board may from time to time prescribe.
- 4.3 The Commencement Date shall be the date on which the Offer relating to such Option is duly accepted by the Grantee in accordance with the Scheme.
- 4.4 No Offer shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company 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 publish an announcement of 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 actual publication of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement.
- 4.5 Subject to paragraph 4.6, no Option shall be granted to any Eligible Participant (the "**Relevant Eligible Participant**") if, at the relevant time of grant, the number of Relevant Shares (as defined in paragraph 4.10) would exceed 1 % of the total number of Shares in issue at such time, unless:
- 4.5.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his associates abstained from voting;
 - 4.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

- 4.5.3 the number and terms (including the Subscription Price) of such Options are fixed before the general meeting of the Company at which the same are approved.
- 4.6 Where an Option is to be granted to a Listco Connected Person, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is also a proposed Grantee of the Option.
- 4.7 Where an Option is to be granted to a Substantial Shareholder or an independent non-executive Director (or any of their respective associates), and the grant will, in the 12-month period up to and including the Offer Date, result in the number and value of the Relevant Shares (as defined in paragraph 4.10) exceeding the following:
- 4.7.1 0.1% of the total number of Shares in issue at the relevant time of grant; and
- 4.7.2 an aggregate value (based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant) in excess of HK\$5 million,
- such grant shall not be valid unless:
- (A) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee) to the independent Shareholders as to voting); and
- (B) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which all Connected Persons abstained from voting in favour at such meeting.
- 4.8 For the purpose of calculating the limit in paragraphs 4.5 and 4.7, Options that have already been lapsed in accordance with paragraph 7 shall not be counted.
- 4.9 Any change in the terms of any Option granted to a Substantial Shareholder or an independent non-executive Director (or any of their respective associates) which would result in the number and value of the Relevant Shares exceeding that set out in paragraph 4.7 shall not be valid unless:
- 4.9.1 a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- 4.9.2 the change has been approved by the Shareholders in general meeting (taken on a poll), at which all Connected Persons abstained from voting in favour at such meeting.

- 4.10 For the purposes of paragraphs 4.5 and 4.7, "Relevant Shares" shall mean Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Participant referred to in paragraph 4.5 or 4.7 (as the case may be) in the 12-month period up to and including the Offer Date of the relevant Option referred to in paragraph 4.5 or 4.7 (as the case may be).
- 4.11 Any Offer may be accepted in respect of all or any portion of the Shares underlying the Option so offered provided that the number so accepted is a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined.
- 4.12 In the cases referred to in paragraphs 4.5 to 4.7, where an Option has not been approved by the Shareholders in general meeting or by the independent non-executive Directors (as the case may be), the Option Price paid by an Eligible Participant relating to such Option shall be refunded (without interest) by the Company.

5. SUBSCRIPTION PRICE

- 5.1 Subject to paragraphs 5.2 and 9, the Subscription Price shall be a price solely determined by the Board and notified to an Eligible Participant and shall be at least the highest of:
- 5.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
 - 5.1.2 the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date (provided that the new issue price shall be used as the closing price for any Business Day falling within the period before the Listing Date where the Company has been listed for less than five Business Days as at the Offer Date); and
 - 5.1.3 the nominal value of the Shares.
- 5.2 Where a relevant Option is to be granted under paragraph 4.5 or 4.7, for the purposes of paragraphs 5.1.1 and 5.1.2, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions of paragraph 5.1 shall apply *mutatis mutandis*.

6. EXERCISE OF OPTION

- 6.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.
- 6.2 An Option may be exercised according to the terms of the Scheme and the relevant Offer Letter in whole or in part by the Grantee (or his personal representatives) before its expiry by giving notice in writing to the Company

stating that the Option is to be exercised and the number of Shares in respect of which it is exercised, provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. 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 28 days after receipt of the notice and the remittance and (where appropriate) receipt of the Auditor's or the independent financial adviser's certificate under paragraph 9, the Company shall allot and issue the relevant Shares to the Grantee (or his personal representatives) credited as fully paid and issue to the Grantee (or his personal representatives) a share certificate in respect of the Shares so allotted.

- 6.3 Unless otherwise determined by the Board and specified in the Offer Letter (as defined in sub-paragraph 4.2 hereof) at the time of the Offer Date, the Grantee is not required to achieve any performance targets. Notwithstanding the above, an Option may be exercised by the Grantee (or his personal representatives) at any time during the Option Period:

Provided that:

- 6.3.1 subject to sub-paragraphs 6.3.2 and 7.1.5, where the Grantee of an outstanding Option ceases to be an Eligible Participant for any reason, the Option may be exercised within one month after the date of such cessation, which date shall be his last actual working day with the Company or any Subsidiary whether salary is paid in lieu of notice or not;
- 6.3.2 where the Grantee of an outstanding Option dies or becomes permanently disabled before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee by his personal representatives within twelve months after the date of his death or permanent disability or such longer period as the Board may determine;
- 6.3.3 if a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) that they may by notice in writing to the Company within 21 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice;
- 6.3.4 if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) that they may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice;

- 6.3.5 other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 6.3.3 and 6.3.4, if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options in full or in part, but the aforesaid exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becomes effective, all outstanding Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares 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 would have been the case had such Shares been subject to such compromise or arrangement; and
- 6.3.6 in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time not later than four 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 one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- 6.4 The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's memorandum and articles of association and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with other fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved

to be paid or made if the record date therefor shall be on or before the date of allotment and issue.

7. LAPSE OF OPTION

7.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

7.1.1 the expiry of the Option Period;

7.1.2 the expiry of any of the periods referred to in paragraph 6.3.1, 6.3.2 or 6.3.3;

7.1.3 subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 6.3.4;

7.1.4 subject to the compromise or arrangement referred to in paragraph 6.3.5;

7.1.5 the date on which the Grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Participant, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty. A resolution of the Board to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 7.1.5 shall be conclusive;

7.1.6 the date of the commencement of the winding-up of the Company;

7.1.7 the date on which the Grantee commits a breach of paragraph 6.1;

7.1.8 the date on which the Option is cancelled by the Board as provided in paragraph 13; or

7.1.9 the non-fulfilment of any condition referred to in paragraph 2 on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 7.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.1 The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

- 8.2 Subject to paragraphs 8.1, 8.4 and 8.5, at the time of adoption by the Company of the Scheme or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all Options to be granted under the Scheme, the New Scheme and all schemes existing at such time (the “**Existing Schemes**”) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”).
- 8.3 For the purposes of calculating the Scheme Mandate Limit under paragraph 8.2, Shares which are the subject matter of any Options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) and Shares which may be allotted and issued under the Over-allotment Option (as defined in the Listing Document) the number of which is expected to be [*] shall not be counted.
- 8.4 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:
- 8.4.1 the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit;
- 8.4.2 Options previously granted under any Existing Schemes (including Options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and
- 8.4.3 a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.
- 8.5 The Company may seek separate approval from the Shareholders in the general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:
- 8.5.1 the grant is to Eligible Participants specifically identified by the Company before the approval is sought; and
- 8.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and other applicable laws and rules.

9. EFFECT OF ALTERATIONS TO SHARE CAPITAL

- 9.1 In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalization of profits or reserves, bonus issue, rights issue, consolidation, redenomination, subdivision or reduction of the share capital of the Company in accordance with the legal requirements or 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, adjustment (if any) shall be made to:

- 9.1.1 the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
 - 9.1.2 the Subscription Price for the Shares subject to the Option so far as unexercised; and/or
 - 9.1.3 the Shares to which the Option relates; and/or
 - 9.1.4 the method of exercise of the Option (if applicable); and/or
 - 9.1.5 any combination thereof as the Auditors or the independent financial adviser to the Company (acting as expert not arbitrator) shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with Rules 17.03(13) of the Listing Rules and the notes thereto.
- 9.2 Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the requirements set out in the note to Rule 17.03(13) of the Listing Rules and the supplementary guidance being the attachment to FAQ No. 072/2020 released by the Stock Exchange on 6 November 2020 and/or any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the independent financial adviser to the Company 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 Auditors or the independent financial adviser to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company. In addition, no adjustments shall be made to the exercise price or the number of Shares to the benefit of any Eligible Participant without the approval by ordinary resolution of the Shareholders of the Company.
- 9.3 In respect of any adjustments required by paragraph 9.1, other than any made on a capitalisation issue, sub-division, consolidation or redenomination of shares, the Auditors or the approved independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the Supplemental Guidance and/or such other requirement prescribed under the Listing Rules from time to time.

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 to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

11. DISPUTES

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding. The costs of the Auditors or the independent financial adviser to the Company shall be borne equally by the Company and the relevant Grantee.

12. ALTERATION OF THE SCHEME

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

12.1.1 the definitions of “Eligible Participant”, “Expiry Date”, “Grantee” and “Option Period” in paragraph 1.1; and

12.1.2 the provisions relating to the matters set out in Rule 17.03 of the Listing Rules including paragraphs 3, 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 5, 6, 7, 8, 9, this paragraph 12, 13 and 14,

12.1.3 any alteration to the authority of the Board or the administrator of this Scheme;

shall not be altered to the advantage of Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstaining from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with:

(a) the consent in writing of Grantees holding in aggregate Options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of not less than 50% in nominal value of all Shares which would fall to be issued upon the exercise of all Options outstanding on that date; or

(b) the sanction of a special resolution.

12.2 Any change to the authority of the Board in relation to any alterations to the terms of the Scheme must be approved by the Shareholders in general meeting.

12.3 Any alterations to the provisions of the Scheme which are of a material nature (i.e. those alterations which cannot be made by resolution of the Board in accordance with paragraph 12.1) 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 provisions of the Scheme.

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

13. CANCELLATION OF OPTIONS GRANTED BUT NOT YET EXERCISED

13.1 Any options granted but not exercised may be cancelled by the Board and such cancellation is recommended by the remuneration committee of the Company. Any options granted but subsequently renounced by the Grantee may be cancelled by the Board.

13.2 If an option is cancelled under paragraph 13.1, the Grantee shall not be entitled to any compensation from the Company.

13.3 Where the Company cancels options and issue new options to the same Grantee, the issue of such new options may only be made with available unissued options (excluding the cancelled options) within the Scheme Mandate Limit.

14. TERMINATION

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

15. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company will disclose details of the Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period, vesting period and (if appropriate) a valuation of options granted during the financial year/ period in the annual/ interim reports in accordance with the Listing Rules in force from time to time.

16. MISCELLANEOUS

16.1 Notwithstanding any provision of any other paragraph of the Scheme:

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

16.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

16.2 The Company shall bear the costs of establishing and administering the Scheme.

16.3 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders.

16.4 Any notice or other communication between the Company and a Grantee shall be addressed to the recipient and sent by personal delivery or by prepaid post or by fax to, in the case of the Company, its principal place of business in Hong Kong or as otherwise notified to the Grantee from time to time and, in the case of the Grantee, his residential address as notified to the Company from time to time.

The Company : KRP Development Holdings Limited
Attention : Board of Directors
Fax : 852 2437 6829

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

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

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

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

16.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.

16.7 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 an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme. The Company shall not be responsible for the lapse of any Options granted to any Eligible Participant by reason of the lapse of the Options granted as referred to in paragraph 7.1.

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