
DL HOLDINGS GROUP LIMITED

德林控股集團有限公司

**RULES RELATING TO THE
2025 SHARE INCENTIVE SCHEME**

Approved pursuant to an ordinary resolution
passed by the Shareholders of the Company in a general meeting held on 19 June 2025

Warning:

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

1. DEFINITIONS

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

"Articles"	the articles of association of the Company as amended, supplemented or otherwise modified from time to time;
"Adoption Date"	means 19 June 2025 (the date on which this Scheme is conditionally adopted by the resolution of the Shareholders in the general meeting);
"Associates"	has the same meaning as defined in the Listing Rules;
"Award(s)"	an award granted under the Scheme by the Board to a Grantee, which may take the form of a Share Option or a Share Award;
"Award Letter"	shall have the meaning as set out in paragraph 6.1;
"Award Shares"	Shares issued or transferred to a Grantee, or held on trust for a Grantee by the Trustee, pursuant to the exercise of an Award;
"Auditors"	the auditors for the time being of the Company;
"Business Day"	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
"Board"	the board of Directors for the time being or a duly authorised committee thereof;
"Close Associates"	has the same meaning as defined in the Listing Rules;
"Company"	DL Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability;
"Contributed Amount"	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time;
"Directors"	the directors of the Company for the time being or a duly authorised committee thereof;
"Eligible Participants"	means any of the following categories of persons: (a) the Employee Participants; or (b) the Related Entity Participants;
"Employee Participant(s)"	means director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Awards under this Scheme as an inducement

	to enter into employment contracts with the Company or any of its subsidiaries);
“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Award Shares and/or the vesting and transfer of the Award Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such participant;
“Exercise Period”	in respect of any Share Option, the period during which the Grantee may exercise the Share Option;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of a Share Option awarded under this Scheme;
"Grantee"	any Eligible Participant who accepts an Offer in accordance with the terms and conditions of this Scheme or (where the context so permits and as referred to in paragraph 12.2) his/her Personal Representative(s);
“Group”	the Company and its Subsidiaries;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
“Holding Company”	a company of which the Company is a subsidiary;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Offer"	an offer for the grant of an Award made in accordance with paragraph 6.1;
"Offer Date"	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant;
"Personal Representative(s)"	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Award granted to such Grantee (to the extent not already exercised);
“Purchase Price”	in respect of any Share Award, the price per share a Grantee is required to pay to subscribe for the Shares constituting the Share Award;

“Related Entity”	(i) a Holding Company; (ii) subsidiaries of the Holding Company other than members of the Group; or (iii) an associated company of the Company;
“Related Entity Participant”	any person who is an employee (whether full-time or part-time), director or officer of a Related Entity;
“Related Income”	all income derived from a Share (net of all expenses or charges incurred in relation to the receipt or payment of such income) held upon the Trust (including but not limited to, any cash dividend and any bonus Shares and scrip Shares received in respect of the Share);
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of any Shares;
"Scheme"	this share scheme in its present form or as may be amended from time to time in accordance with paragraph 18;
“Scheme Mandate Limit”	10% of the total number of Shares in issue (excluding any treasury Shares) as at the Adoption Date;
“Scheme Period”	the period of 10 years commencing on the Adoption Date and ending on the 10th anniversary of the Adoption Date;
	persons providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board pursuant to the criteria set out in paragraph 4.5 and 4.6;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shareholders”	Holders of Shares;
“Share Award”	shall have the meaning set out in paragraph 5.2(a);
“Share Option”	shall have the meaning set out in paragraph 5.2(b);
"Share Registrar"	the branch share registrar of the Company in Hong Kong for the time being;

"Shares"	shares of HK\$0.01 each of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, reclassification or re-construction;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited or such other stock exchange which is the principal stock exchange (as determined by the Directors) on which the Shares are for the time being listed or traded;
"Subsidiary"	a company which is, for the time being and from time to time, a subsidiary of the Company (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)), whether incorporated in Hong Kong, the British Virgin Islands, the People's Republic of China or elsewhere;
"Treasury Shares"	has the meaning ascribed to it under the Listing Rules;
"Trust"	the trust constituted by the Trust Deed;
"Trust Deed"	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
"Trust Fund"	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Eligible Participants (other than the Excluded Participants), including without limitation:</p> <ul style="list-style-type: none"> (a) all Shares issued and allotted (including any transfer of Treasury Shares out of treasury) to the Trustee under the scheme mandate of the Scheme and acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; (b) any Residual Cash; (c) any Award Shares, any Related Income or other property to be vested or not vested with the Grantee under the terms of the Scheme; and (d) all other properties from time to time representing (a), (b) and (c) above;

“Trust Period”	Shall have the meaning as set out in Clause 1.1 of the Trust Deed;
“Trustee”	DL Securities (HK) Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed ;
“Vesting Date”	the date on which an Award (or part thereof) is to vest in the relevant Grantee following which the Grantee may exercise the Award, as determined from time to time by the Directors pursuant to paragraph 7.1, unless a different Vesting Date is deemed to occur in accordance with paragraph 17.1; and
“Vesting Period”	the period upon which the Awards may be vested in the relevant Grantee in respect of all or a portion of the Shares, as determined from time to time by the Directors pursuant to paragraph 7.1

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

- (i) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (ii) references to paragraph or paragraphs are references to paragraph or paragraphs hereof;
- (iii) words importing the singular include the plural and vice versa;
- (iv) words importing one gender include both genders and the neuter and vice versa;
- (v) references to persons include includes any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity, bodies corporate and unincorporated;
- (vi) references to any statutory provisions or rules prescribed by any statutory body shall include the same as from time to time amended, consolidated and re-enacted;
- (vii) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same; and
- (viii) references to Shares include Treasury Shares, and references to allot, allotment or issue of any Shares shall include sale or transfer of Shares out of treasury that are held as Treasury Shares (as the case may be, and to the extent permissible by applicable laws and regulations, including the Listing Rules).

2. CONDITIONS

2.1 This Scheme shall come into effect on the Adoption Date subject to the fulfilment of the following conditions:

- (a) the passing of the necessary resolution(s) to adopt this Scheme by the Shareholders in general meeting; and
 - (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may be issued and allotted by the Company in respect of all Awards to be granted under the Scheme.
- 2.2 If any of the above conditions are not satisfied on or before the date falling 3 months after the Adoption Date (or such later date as the Board may decide), this Scheme shall forthwith determine, and any Award granted or agreed to be granted pursuant to this Scheme and any offer of such grant shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme or any such Award.
- 2.3 Reference in paragraph 2.1 to the Listing Committee formally granting the approvals, listing and permission referred to therein shall include any approval, listing and permission which are granted subject to any condition.
- 2.4 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 so certified.

3. PURPOSE, DURATION AND ADMINISTRATION

- 3.1 The purpose of this Scheme is:
- (a) to enable the Company to grant Award to Eligible Participant as incentive or reward for their contribution to the Group;
 - (b) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/ or providing benefits to Eligible Participants; and
 - (c) to align the interest of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company.
- 3.2 Subject to paragraph 19, this Scheme shall be valid and effective for the Scheme Period, after which period no further Awards will be granted under the Scheme. But the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme, and to give effect to the Share Awards granted or vested prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.3 This Scheme shall be subject to the administration of the Directors and the Trustee in accordance with the rules of this Scheme and the Trust Deed, and the decision of the Directors shall be final and binding on all parties who may be affected thereby. The Directors shall have the right to (i) interpret and construe the

provisions of this Scheme; (ii) determine the persons who will be offered the Awards under this Scheme, and (iii) make such other decisions or determinations as they shall deem appropriate in the administration of this Scheme.

- 3.4 The Directors may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any Subsidiary as directed by the Directors which shall constitute part of the Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the Scheme and the Trust Deed.
- 3.5 Subject to paragraphs 5.6 and 13, in the event the Award Shares are to be allotted and issued as new Shares (including any transfer of Treasury Shares out of treasury) under the scheme mandate of the Scheme for the purpose of the Trust, the Board shall cause an amount equal to the nominal value of such new Shares to be allotted and issued be transferred from the Company's resources as soon as practicable but in any event not later than 5 Business Days prior to the allotment and issuance of such Shares (including any transfer of Treasury Shares out of treasury) as subscription monies for the new Shares and cause to issue and allot such new Shares (including any transfer of Treasury Shares out of treasury) to the Trustee, which shall be held upon trust for the relevant Grantee subject to the terms and conditions set out herein and in the Trust Deed. The Company shall comply with the relevant Listing Rules when allotting and issuing any new Shares (including any transfer of Treasury shares out of treasury) under scheme mandate of the Scheme and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in the new Shares to be issued at the time of offer the Shares. For the avoidance of doubt, the Company may issue and allot new Shares under the scheme mandate of the Scheme and/or transfer Treasury Shares out of treasury to the Trustee in respect of any Award Shares, which shall be held upon trust for the relevant selected participant to this Scheme to satisfy grant of the Award Shares, subject to the terms and conditions set out herein and in the Trust Deed.
- 3.6 Subject to paragraphs 5.6 and 13, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange. Once purchased, the Shares are to be held by the Trustee for the benefit of the relevant Grantee under the Trust on and subject to the terms and conditions of the Scheme and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.
- 3.7 As soon as practicable after receiving the notice setting out the instructions from the Company under Paragraph 3.6 with respect to the purchase of the Shares on the Stock Exchange and during such period until being notified by the Board to suspend or cease the purchase, the Trustee shall apply such amount of Residual Cash towards the purchase of such maximum board lot of Shares at the prevailing market price according to the instructions set out in the notice in accordance with paragraph 3.6. The Trustee shall also pay the related purchase expenses (including for the time being, the brokerage fee, stamp duty, the Securities and

Futures Commission transaction levy and Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of the Shares out of the Residual Cash. For the avoidance of doubt, the Shares so purchased and the remaining balance of any Residual Cash shall form part of the Trust Fund. The Trustee is not obliged to purchase any Shares unless the prevailing market price of the Shares falls within the range of prices in accordance with paragraph 3.6 and that the Trustee has sufficient funds in the Trust to undertake the purchase of such Shares.

- 3.8 The Trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. If, for any reason, the Trustee shall not be able to purchase any or all of the Shares with the maximum amount of funds (where the range of prices at which such Shares are to be purchased has been specified by the Board) so specified in the notice within 10 Business Days on which the trading of the Shares has not been suspended on the Stock Exchange after being instructed by the Board to do so, the Trustee shall notify the Board. The Board shall then decide on whether to instruct the Trustee to continue with such purchase and the conditions thereof.

4. ELIGIBLE PARTICIPANTS

- 4.1 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution or potential contribution to the success of the Group's operations and enhancing the value of the Company and its Shares.
- 4.2 No person who is resident in a place where the grant, acceptance or exercise of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Directors, applicable laws and regulations in such place makes it necessary or expedient to exclude such person, shall be entitled to participate in the Scheme and such person shall therefore not be an Eligible Participant for the purposes of this Scheme.
- 4.3 In determining the criteria for the selection of any eligible Employee Participants, the Board may consider, among other things, such Employee Participant's individual performance, time commitment, his/her skills, knowledge, expertise relevant to the operations and business of the Group, the level of responsibilities assumed, the length of employment or engagement with the Group, contribution and/or future contribution to the development and growth of the Group.
- 4.4 In determining the criteria for the selection of any eligible Related Entity Participants, the Board may consider, among other things:
- (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
 - (ii) the period of engagement or employment of the Related Entity Participant by the Group;

- (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
 - (iv) whether such Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships, and
 - (v) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.
- 4.5 In order for a person to satisfy the Directors that he/she is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant and/or a Grantee, such person shall provide all such information as the Directors may in his/her absolute discretion request for the purpose of assessing and/or determining his/her eligibility (or continuing eligibility) as an Eligible Participant and/or a Grantee.
- 4.6 Each grant of Awards to a Connected Person (which has the meaning ascribed to it under the Listing Rules) of the Company, or any of his Associates, shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a proposed Grantee of the Awards and must be approved in accordance with the requirements of the Listing Rules.
- 4.7 Any person whom the Directors have resolved to be qualified to become an Eligible Participant must remain eligible during the period when any Award granted to him/her/it remains outstanding. In assessing such Grantee's continuing eligibility under this Scheme, the requirements set out in paragraph 12, and the views, if any, of the independent non-executive Directors shall be given due and careful consideration by the Board.
- 4.8 Should the Directors resolve that a Grantee fails/has failed or otherwise is/has been unable to meet the continuing eligibility criteria under this Scheme as referred to in and subject to paragraph 12, the Company would (subject to applicable laws) be entitled to deem any outstanding Award or part thereof, granted to such Grantee and to the extent not already exercised, as lapsed, subject to the requirements of paragraph 12.

5. GRANT OF AWARDS

- 5.1 The Board shall, in accordance with the provisions of this Scheme, be entitled but shall not be bound at any time and from time to time within the Scheme Period to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit.
- 5.2 An Award may take the form of:

- (a) an award which vests in the form of the right to subscribe for and/or be issued such number of Shares as the Directors may determine at the Purchase Price in accordance with the terms of the Scheme (a “**Share Award**”); or
 - (b) an award which vests in the form of the right to subscribe for such number of Shares as the Board may determine during the Exercise Period at the Exercise Price in accordance with the terms of the Scheme (a “**Share Option**”).
- 5.3 The Board may determine the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the Award Letter.
- 5.4 The Purchase Price for Awards which take the form of Share Awards shall be such price determined by the Directors and notified to the Grantee in the Award Letter with a copy thereof to the Trustee. For the avoidance of doubt, the Board may determine the Purchase Price to be at nil consideration. The Board may in its absolute discretion determine whether the Grantee is required to pay any Purchase Price for obtaining the Shares underlying a Share Award, and, if so required, the amount of the Purchase Price, after taking into account the practices of comparable companies and the effectiveness of the Scheme in attracting talents and motivating the Grantee to contribute to the long term development of the Group. The Board may consider the requirement to pay Purchase Price for the Share Award after having regard to the specific circumstances and other terms of the grant to the particular Eligible Participant such that it will be in the interest of the Company and will serve the purpose of the Scheme.
- 5.5 For Awards which take the form of Share Options, the Board shall determine and notify the Grantee in the Award Letter:
 - (a) the Exercise Price for such Share Options, provided that the Exercise Price shall in any event be no less than the higher of:
 - (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date, which must be a Business Day; and
 - (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Offer Date, and
 - (b) the Exercise Period for such Share Options shall in any event be not longer than 10 years from the Offer Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Offer Date.
- 5.6 No Offer shall be made and no Award shall be granted to any Eligible Participant after inside information has come to the Company’s knowledge until (and including the trading day) after it has announced the information. In particular, the Company shall not grant any Award during the period commencing 30 days immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its result for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

The period during which no Award may be granted will cover any period of delay in the publication of a results announcement.

6. **AWARD LETTER**

- 6.1 An Offer shall be made to an Eligible Participant in such written form as the Directors may from time to time determine. The Company shall, in respect of each Award, issue a letter to each Eligible Participant in such form as the Directors may from time to time determine setting out the terms and conditions of the Award (an "**Award Letter**"), with a copy of such Award Letter and acceptance send to the Trustee in accordance with paragraph 6.4(b), which may include the number of Shares in respect of which the Award relates, the Purchase Price or Exercise Price (as applicable), the vesting criteria and conditions, the Vesting Date, any minimum performance targets that must be achieved and any such other details as the Directors may consider necessary, and requiring the Eligible Participant to undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of the Scheme. The Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his/her Personal Representative(s)) for a period as may be specified in the Offer or in the manner or period indicated in paragraphs 6.3 and 6.4, provided that no such Offer shall be open for acceptance after the 10th anniversary of the Adoption Date or after this Scheme has been terminated in accordance with the provisions hereof or after the Eligible Participant to whom such Offer is made ceased to be an Eligible Participant.
- 6.2 To the extent that Awards shall be satisfied by way of issue and allotment of new Shares, the grant of such Awards shall be conditional upon the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, such Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Directors.
- 6.3 Unless otherwise specified in the Award Letter, for Awards which take the form of Share Options:
- (a) an Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of the Award which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted stated therein, together with a non-refundable remittance in favour of

the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from, and inclusive of, the Offer Date);

- (b) any Offer or Award may be accepted by an Eligible Participant in whole or in part provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from, and inclusive of, the Offer Date);
- (c) to the extent that an Award is not accepted within the time and in the manner indicated in this Scheme, it shall be deemed to have been irrevocably declined and shall automatically lapse.

6.4 Unless otherwise specified in the Award Letter, for Awards which take the form of Share Awards:

- (a) the number of Award Shares specified in the Award Letter shall, subject to acceptance by the relevant Eligible Participant in accordance with paragraph 6.4(b) below, constitute the definitive number of Award Shares being granted to him/her;
- (b) upon receipt of the Award Letter, the Eligible Participant shall confirm acceptance of the Award Shares being granted to him/her by signing and returning to the Directors the acceptance form attached to the Award Letter within 5 Business Days after the date of the Award Letter (the “**Acceptance Period**”). As soon as practicable after the receipt of the acceptance form duly signed by the relevant Eligible Participant, the Directors shall forward a copy thereof to the Trustee;
- (c) If the Eligible Participant fails to sign and return the acceptance form attached to the Award Letter before the expiry of the Acceptance Period, the grant of the Award Shares to such Eligible Participant shall lapse forthwith and the Award Shares shall remain as part of the Trust Fund. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way. In such instance, the Board shall notify the Trustee of the lapse of the grant of such Award Shares as soon as practicable after the expiration of the Acceptance Period.

6.5 The Offer shall specify the terms on which the Award is to be granted and the Directors may at their sole and absolute discretion specify any condition in the Offer for vesting of the Awards. Save as determined by the Directors and provided in the Offer, an Award shall not be subject to any performance targets or any other criteria or conditions if none are set out in the relevant Award Letter.

- 6.6 The conditions(s) or performance target(s), if imposed, may include without limitation (i) individual financial targets such as revenue or profits generated by the Grantee over a defined period; (ii) individual non-financial targets relevant to the Grantee's roles and responsibilities; (iii) financial targets of the Group, whether on a targeted or comparative basis; (iv) non-financial targets of the Group such as the Group's strategic objectives, operational targets and plans for future development; and (v) any other performance targets that the Board may appropriately determine in their sole and absolute discretion. Such performance targets may include: (a) any measurable performance benchmark which the Board considers relevant to the Grantee, such as key performance indicators of respective department(s) and/or business unit(s) that the Grantee belongs, individual position, annual appraisal result and performance of the Grantee determined under the Company's employee performance evaluation system; (b) the Grantee's fulfilment of milestones with respect to, including but not limited to, business development of the Group; (c) results of the Company, growth on the revenue of the Group as compared to the immediately preceding financial period and performance of the Group; and/or (d) any other performance targets as the Board determines as appropriate. The Group will utilise its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Awards on a case-by-case basis. The Board will evaluate the actual performance and contribution of a Grantee against the performance targets set and form a view as to whether the relevant performance targets have been satisfied.
- 6.7 Where any vesting condition(s) or performance target(s) have been imposed, the Board, acting through the Company, shall notify the Grantee in writing by notice in respect of the fulfilment, satisfaction or waiver of such vesting condition(s) or performance target(s) as determined by the Board in its absolute discretion. The Board has the absolute discretion to determine whether and to what extent such vesting condition(s) or performance target(s) have been reached, fulfilled, satisfied or waived and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 6.8 An Offer cannot be accepted by an Eligible Participant who ceases to be qualified as an Eligible Participant after the Offer has been made. No Offer shall be capable of or open for acceptance after the expiry of 10 years from the Adoption Date.

7. VESTING PERIOD OF AWARDS

- 7.1 The Directors may from time to time, in their absolute discretion, determine the Vesting Period upon which the Awards may be vested in that Grantee in respect of all or a proportion of the Shares. Save for the circumstances prescribed in paragraph 7.2, the Vesting Period in respect of any Award shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit). The relevant Vesting Date or Vesting Period of any Award and any other criteria or conditions for vesting shall be set out in the Award Letter.

7.2 A shorter Vesting Period may be imposed by the Directors in their absolute discretion only in relation to the grant of the Awards to Employee Participants and only in any of the following circumstances:

- (a) grants of “make whole” Awards to any Grantees (who are Employee Participants) who are new joiners to replace the share awards or options forfeited when leaving the previous employer;
- (b) grants of Awards to any Grantees (who are Employee Participants) whose employment or engagement is terminated due to death, disability or event of force majeure;
- (c) grants of Awards in batches during a year for administrative or compliance reasons, including Awards that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- (d) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months;
- (e) grants of Awards with a total vesting and holding period of more than twelve (12) months; or
- (f) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which is considered appropriate and serves the purpose of this Scheme to provide flexibility to grant Awards (i) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (a) (d) and (e)); (ii) to reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (b) and (c)); (iii) to reward exceptional performers with accelerated vesting (sub-paragraph (d)); (iv) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (f)); and (v) in exceptional circumstances where justified (sub-paragraphs (a) to (f)).

7.3 In the circumstances contemplated in paragraph 7.2, the Board shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules and the terms of the Scheme (including the requirements on vesting period as set out in paragraph 7.1 and 7.2). For the avoidance of doubt, Vesting Period of Awards granted to Eligible Participants who are not Employee Participants will not be less than 12 months in any event.

7.4 If a Vesting Date is not a Business Day, such Vesting Date shall, subject to any trading halt or suspension of dealings in the Shares on the Stock Exchange, be deemed to be the next Business Day immediately thereafter.

8. EVENTS UPON AND AFTER VESTING DATE

- 8.1 Unless otherwise specified in the Award Letter, for Awards which take the form of Share Awards:
- (A) Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions to the vesting of the Award Shares on such Grantee as specified in the Scheme and the Award Letter, the respective Award Shares (together with any Related Income) held by the Trustee on behalf of the Grantee pursuant to the provision hereof shall vest in such Grantee in accordance with the vesting schedule (if any) as set out in the Award Letter, and the Trustee shall cause the Award Shares (together with any Related Income) to be transferred to such Grantee on the Vesting Date.
- (B) Upon the vesting of the Award Shares,
- (i) barring any unforeseen circumstances, unless otherwise agreed between the Board, and the Trustee, at least thirty (30) Business Days prior to the Vesting Date, the Board shall send to the relevant Grantee (with a copy to the Trustee) a vesting notice together with such prescribed transfer documents which require the Grantee to execute to effect the vesting and transfer of the Award Shares (including the Related Income, if necessary);
- (ii) upon receipt of the vesting notice, the Grantee (or his/her Personal Representative) is required to return to the Board the reply slip attached to the vesting notice to confirm the securities account details, together with the relevant duly signed transfer documents. In the event the Board does not receive the reply slip and the transfer form from the Grantee at least ten (10) Business Days prior to the Vesting Date, the Award Shares (including the Related Income, as the case may be) which would have otherwise vested in such Grantee shall be automatically forfeited and remain as part of the Trust Fund; and
- (iii) subject to the receipt by the Trustee of (a) the reply slip to the vesting notice and transfer documents prescribed by the Trustee and duly signed by the Grantee within the period stipulated in the vesting notice referred to in paragraph 8.1(B)(ii), (b) a confirmation from the Company that all vesting conditions having been fulfilled, and (c) certified copies of the identification documents of the Grantee, the Trustee shall transfer the relevant Award Shares (including the Related Income, as the case may be) to the relevant Grantee as soon as practicable on or after the Vesting Date and in any event not later than fifteen (15) Business Days after the Vesting Date.
- 8.2 Cash income of an Award Share or the Trust Fund of the Trust shall be applied towards (i) for the benefits of the corresponding Grantee; and/or (ii) the purchase of additional Shares to be held upon trust referable to the relevant Grantee and the payment of the relevant purchase expenses and/or (iii) the remainder, if any, to defray the fees, costs and expenses of the Trust, provided that the application of such cash income in respect of the Award Shares shall be subject to the absolute discretion and decision of the Board.
- 8.3 Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions to the vesting of the Award on such Grantee as specified in the Scheme

and the Award Letter, after the applicable Vesting Date for an Award taking the form of a Share Option, such Share Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company in such form as the Directors may from time to time determine stating that the Share 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 Exercise Price multiplied by the number of Award Shares in respect of which the notice is given. Within fifteen (15) Business Days after receipt of the notice and related remittance in full, the Company shall allot and issue or transfer to the Grantee the number of Award Shares in respect of which the Share Option has been exercised.

- 8.4 The Award Shares to be allotted and issued or transferred pursuant to paragraph 8.1 and 8.3 shall be identical to all existing issued Shares and shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. For the avoidance of doubt, a Grantee shall not have any voting rights, 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 on a date prior to such registration.
- 8.5 At the discretion of the Directors, any obligation to allot and issue Award Shares to a Grantee pursuant to paragraph 8.1 and 8.3 may be satisfied by transferring the equivalent number of Treasury Shares to the Grantee.
- 8.6 Any direct costs and expenses arising on the issue of the Award Shares to or for the benefit of a Grantee as contemplated by this paragraph 8 shall be borne by the Company. Any stamp duty, fees, levies, brokerage or other direct costs and expenses arising on the transfer of the Award Shares shall be borne by the Grantee and deducted by the Directors from any amounts payable to the Grantee.
- 8.7 At the discretion of the Directors and to the extent permitted by the Listing Rules, any obligation to issue or transfer Award Shares to a Grantee pursuant to the Scheme may be satisfied by allotting, issuing or transferring the relevant Award Shares to the Grantee's nominee or depositing the relevant Award Shares in the Grantee's designated securities account held with the Central Clearing and Settlement System operated by The Hong Kong Securities Clearing Company Limited, the details of which the Grantee shall provide to the Directors upon request.
- 8.8 For the avoidance of doubt,
- (a) subject to paragraph 8.2, a Grantee shall not have any interest or rights (including the right to receive dividends) in the Award Shares (including any Related Income) prior to the Vesting Date;
 - (b) a Grantee shall have no rights in the Residual Cash or Shares or such other Trust Fund or property held by the Trust;
 - (c) no instructions shall be given by a Grantee (including, without limitation, voting rights) to the Trustee in respect of the Award Shares (including any Related

Income) that have not been vested, and such other properties of the Trust Fund managed by the Trustee;

- (d) subject to paragraph 8.2, all cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards (a) the payment of the fees, costs and expenses of the Trust and (b) the remainder, if any, remain as part of the Trust Fund;
- (e) unless otherwise waived by the Board, in the event the vesting conditions specified in the Award Letter are not fully satisfied prior to or on the relevant Vesting Date, the award of the Award Shares (including any Related Income) in respect of the relevant Vesting Date shall lapse, such Award Shares (including any Related Income) shall not vest on the relevant Vesting Date and the Grantee shall have no claims against the Company, the Board, the Trust or the Trustee; and
- (f) in the case of the death of a Grantee, the Benefits (as defined in paragraph 12.2(b)) shall be forfeited if no transfer of the Benefits to the Personal Representative of the Grantee is made within the period prescribed in paragraph 12.2, and the Personal Representatives of the Grantee shall have no claims against the Company, the Board, the Trust or the Trustee.

9. VOTING AND DIVIDEND RIGHTS

- 9.1 Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are issued or transferred to the Grantee pursuant to the vesting and/or exercise of such Awards. The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust (if any) (including but not limited to the Award Shares, any bonus Shares and scrip Shares derived therefrom).

10. CANCELLATION OF AWARDS

- 10.1 Any Awards granted but not exercised may be cancelled by the Directors at any time with the prior consent of the Grantee.
- 10.2 Issuance of new Awards to the same Grantee whose Awards have been cancelled pursuant to paragraph 10.1 may only be made if there are unissued Awards available under the Scheme Mandate Limit (as defined in paragraph 13) (excluding the Awards of the relevant Grantee cancelled pursuant to paragraph 10.1) and in compliance with the terms of the Scheme. The Award Shares so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

11. CLAWBACK

- 11.1 Unless the Directors otherwise determined and provided in the Award Letter, the Directors have the authority to provide that any Award shall be subject to a clawback if any of the following events shall occur during the Exercise Period or Vesting Period:

- (a) there being a material misstatement in the Company's audited financial statements that requires a restatement;
- (b) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause or without notice or with payment in lieu of notice;
- (c) a Grantee has been convicted of any criminal offence;
- (d) where a Grantee has committed any act of or convicted of criminal offence involving his/her integrity or honesty or being guilty of fraud or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (e) in the reasonable opinion of the Board, a Grantee has engaged in unlawful acts or serious misconduct which prejudice the interest, reputation of or caused significant negative impact of the Company or otherwise exposed the Group to significant risk, which also include failure to discharge, or failure to discharge properly his/her duties and thereby resulting in serious loss in asset of the Group and other serious and adverse consequence, or breaches the terms of this Scheme in any material respect;
- (f) in the reasonable opinion of the Board, there is material breach of employment agreement;
- (g) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or
- (h) in the reasonable opinion of the Board, the Grantee is considered as not a fit and proper person to conduct licensed activity pursuant to the applicable law and regulation in Hong Kong or elsewhere,

then the Board may make a determination at its absolute discretion that: (A) any Awards issued to that Grantee but not yet exercised shall immediately and automatically lapse forthwith and the relevant Award Shares (including the Related Income, if necessary) shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, regardless of whether such Awards have vested or not, (B) with respect to any Award Shares issued or transferred to that Grantee, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2), and/or (C) with respect to any Award Shares held by the Trustee for the benefit of the Grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the Grantee.

12. CEASING TO BE AN ELIGIBLE PARTICIPANT

12.1 Retirement:

- (a) If a Grantee ceases to be an Eligible Participant by reason of his/her retirement:
 - (i) any outstanding Awards not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, or such other period as the Directors may determine at their sole discretion, and (ii) any vested Share Option may be exercised within the Exercise Period, failing which the Share Option shall lapse.
- (b) A Grantee shall be taken to have retired on the date that he/she retires upon or after reaching the age of retirement specified in his/her service agreement or pursuant to any retirement policy of the relevant member of the Group or Related Entity applicable to him/her from time to time or, in case there is no such terms of retirement applicable to the Grantee, with the approval of the Board or the board of the applicable member of the Group or Related Entity.

12.2 Death or permanent incapacity: If a Grantee ceases to be an Eligible Participant by reason of (i) death of the Grantee; or (ii) the termination of his/her employment or contractual engagement with any member of the Group or Related Entity by reason of his/her permanent physical or mental disablement:

- (a) in the case of Share Options: all Share Options shall be deemed to be vested on the day immediately prior to his/her death or the day immediately prior to his/her termination of employment with the relevant member of the Group due to his/her permanent incapacity. Any vested Share Option may be exercised within a period of twelve (12) months following the date of death or the date of termination of his/her employment or contractual engagement, or such longer period as the Directors may determine, by the Grantee or his/her Personal Representatives (if applicable). In the case where a Grantee no longer has any legal capacity to exercise the Share Option, the vested Share Option may be exercised within that period by the persons charged with the duty of representing the Grantee under applicable laws. If the vested Share Option is not exercised within the time mentioned above, the Share Option shall lapse; and
- (b) in the case of Share Awards: all the Award Shares (including the Related Income, if necessary) of the Grantee shall be deemed to be vested on the day immediately prior to his/her death or the day immediately prior to his/her termination of employment with the relevant member of the Group due to his/her permanent incapacity. In the event of the death of the Grantee, the Trustee shall hold the vested Award Shares (including the Related Income, if necessary) (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the Personal Representatives of the Grantee and subject as aforesaid the Trustee shall, within (a) twelve (12) months from the date of the death of the Grantee (or such longer period as the Trustee and the Board shall agree from time to time) or (b) the Trust Period (whichever is shorter) upon trust to transfer the Benefits to the legal Personal Representatives of the Grantee; or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall remain part of the Trust Fund.

References in these Scheme rules to “Grantee” shall be construed as references to a Grantee’s Personal Representative or estate where the context requires to the extent necessary to give effect to the provisions of the paragraph 12.2.

- 12.3 **Bankruptcy:** If a Grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her/its creditors generally, he/she/it shall cease to be an Eligible Participant under this Scheme and any Awards not yet vested and any outstanding Share Options not yet exercised shall immediately be forfeited and shall lapse. A resolution of the Directors to the effect that a Grantee or an Eligible Participant has or has not ceased to be an Eligible Participant for purposes of this paragraph shall be conclusive.
- 12.4 **Other reasons:** If a Grantee ceases to be an Eligible Participant before exercising the Share Option in full for reasons other than those set out in the preceding provisions of this paragraph 12:
- (a) the Share Option (to the extent vested but not already exercised) shall lapse on the date of cessation or termination as an Eligible Participant and not be exercisable unless the Directors at their sole discretion may determine otherwise in which event the Grantee may exercise the Share Option (to the extent vested but not already exercised) in whole or in part in accordance with this Scheme within a period as the Board may determine. The date of cessation or termination as aforesaid shall be the last day on which the Grantee is actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, or the date of termination of engagement or relevant service contract with the Company; and
 - (b) any outstanding Awards not yet vested shall immediately be forfeited and shall lapse.

13. SCHEME LIMIT

- 13.1 The total number of Award Shares which may be issued pursuant to all Awards to be granted under this Scheme together with the number of Shares which may be issued pursuant to any awards to be granted under any other share schemes of the Company shall not be more than 10% of the Shares in issue (excluding any treasury shares) on the date of approval of the Scheme (the “**Scheme Mandate Limit**”).
- 13.2 Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- 13.3 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Share Options and Share Awards to be granted under this Scheme and any other share schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued

Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- 13.4 The Company may refresh either of the Scheme Mandate Limit:
- (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit (as the case may be) pursuant to this Scheme, with the prior approval of Shareholders in general meeting by way of ordinary resolution; or
 - (b) at any time, with the prior approval of the Shareholders in general meeting and subject to compliance with any additional requirements set out in the Listing Rules.
- 13.5 The total number of Award Shares which may be issued in respect of all Awards to be granted under this Scheme and all other schemes of the Company under the Scheme Mandate Limit as refreshed pursuant to paragraph 13.5 shall not exceed 10% of the Shares in issue (excluding any treasury shares) as at the date of the approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. Awards already granted under the Scheme and any other share schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with its terms) shall not be counted for the purpose of calculating the number of Award Shares that may be issued under the Scheme Mandate Limit as refreshed.
- 13.6 The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company, subject to compliance with the requirements set out in the Listing Rules.
- 13.7 If the Board determines to offer Awards to an Eligible Participant which, when aggregated with any Shares issued or to be issued in respect of all options or awards granted to that person (excluding any options or awards lapsed in accordance with the terms of the relevant schemes) under this Scheme and the other share schemes of the Company in any 12-month period up to and including the date of such grant, exceed 1% of the number of Shares in issue (excluding Treasury Shares, if any), that grant shall be subject to:
- (a) separate approval of the Shareholders at general meeting having been obtained, with such Eligible Participant and his/her/its Close Associates (or his/her/its Associates if the Eligible Participant is a connected person of the Company) abstaining from voting;
 - (b) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time as required by the Listing Rules, including, among others, the identity of the Eligible Participant, the number and terms of the Awards to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Awards to the Eligible

Participant and an explanation as to how the terms of the Awards serve such purpose;

- (c) the number and terms of the Awards to be granted to such proposed Grantee having been fixed before the shareholders' approval mentioned in (a) above; and
- (d) in respect of any Awards to be further granted, the date of the Board meeting at which the Board resolves to grant the proposed Awards to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the Exercise Price (if applicable).

13.8 Any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the remuneration committee of the Board (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards). In addition:

- (a) where any grant of Share Awards (but not any grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all Share Awards granted under this Scheme together with awards granted under any other share schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares) at the date of such grant; or
- (b) where any grant of Awards to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all Awards already granted under this Scheme together with awards granted under any other share schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue (excluding any treasury shares) at the date of such grant,

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

13.9 No Award shall be granted to any Eligible Participant and no instructions to acquire any Shares shall be given to the Trustee under the Scheme:

- (a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law;

- (b) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced;
- (c) during the periods commencing 30 days immediately before the earlier of the date of the Board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to announce such results, and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement;
- (d) if any member of the Group is required under applicable laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (e) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any applicable laws, rules, regulations or codes in any jurisdiction from time to time;
- (f) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (g) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained; or
- (h) where such Award under the Listing Rules requires the specific approval of Shareholders, until such approval of Shareholders is obtained, provided that to the extent permissible in accordance with applicable laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained,

and any such grant so made (or made without being subject to the necessary conditions contemplated by this paragraph 13) shall be null and void to the extent (and only to the extent) that it falls within the circumstances described above.

14. TRANSFERABILITY

- 14.1 Awards shall be personal to the Grantee to whom they are made and shall not be assignable or transferable, and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Award Shares (including the Related Income, if necessary) referable to him pursuant to such Award, except in circumstances where the written consent of the Board has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee

agrees to be bound by the Scheme as if the transferee were the Grantee. The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Eligible Participant and any family members of such Eligible Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the Stock Exchange shall require the Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

- 14.2 Any breach of paragraph 14.1 shall entitle the Company to cancel the applicable Awards. For this purpose, a determination by the Board to the effect that a breach of paragraph 14.1 has occurred shall be final and conclusive.

15. LAPSE OF AWARDS

- 15.1 Without prejudice to the authority of the Directors to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest of:
- (a) the expiry of any applicable Exercise Period;
 - (b) the date on which the Board makes a determination under paragraph 11;
 - (c) the expiry of any of the periods for exercising a Share Option as referred to in paragraph 12 or in the other circumstances set out in that paragraph; and
 - (d) the date on which the Grantee commits a breach of paragraph 14.
- 15.2 The Directors shall have the power to decide whether an Award shall lapse and their decision shall be binding and conclusive on all parties. The Company, the Directors and the Trustee shall not owe any liability to any Grantee for the lapse of any Award under this paragraph 15.

16. ALTERATIONS IN SHARE CAPITAL

- 16.1 In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, open offer, subdivision or consolidation of Shares or reduction of the share capital of the Company (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) after the Adoption Date, the Directors shall make such corresponding adjustments, if any, as the Directors in its discretion may deem appropriate to reflect such change with respect to:
- (a) the number of Shares constituting the Scheme Mandate Limit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;

(b) the number of Shares in each Award to the extent any Award has not been exercised; and

(c) the Exercise Price of any Share Option or Purchase Price of any Share Award,

or any combination thereof, as the Auditors or an independent financial advisor engaged by the Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that (i) any such adjustments should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser appointed by the Company or the Auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this clause and the requirements as set out under the Listing Rules from time to time. The costs of the Auditors or the independent financial adviser appointed by the Company relating to this Scheme shall be borne by the Company. The capacity of the Auditors or financial advisor (as the case may be) in this paragraph is that of experts and not of arbitrators and their confirmation in writing shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

16.2 Any adjustments made by the Board will be made in accordance with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No.1–20 published by the Stock Exchange and consistent with such adjustment formulae that may then be prescribed or recommended by the Stock Exchange.

17. CHANGE OF CONTROL

17.1 Notwithstanding any other provision provided herein, if there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether such Award Shares (including any Related Income) shall be vested in the Grantee and the time at which such Award Shares (including any Related Income) shall be vested. Subject to the receipt by the Trustee of duly executed prescribed transfer documents within seven (7) Business Days from the deemed Vesting Date, the Trustee shall transfer the Award Shares (including any Related Income) to the Grantee in accordance with the Scheme. For the purpose of this paragraph 17.1, “control” shall have the meaning as specified in the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs from time to time.

17.2 In the event the Company undertakes a subdivision or consolidation of the Shares, such Grantee shall be entitled to those Award Shares (including any Related Income) as so subdivided or consolidated and the Board shall as soon as reasonably practicable after such subdivision or consolidation has been effected, notify each such Grantee of the number of Award Shares (including any Related

Income) that he/she has become entitled to on vesting after such subdivision or consolidation (as the case may be).

- 17.3 In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under the Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it on the market as is appropriate and, subject to paragraph 8.2, the net proceeds of sale of such rights shall be held as part of the Trust Fund.
- 17.4 In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it on the market, subject to paragraph 8.2, the net proceeds of sale of such bonus warrants shall be held as part of the Trust Fund.
- 17.5 In the event the Company undertakes an issue of bonus Shares, subject to paragraph 8.2, the bonus Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- 17.6 In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and, subject to paragraph 8.2, scrip Shares allotted with respect to any Shares which are held by the Trustee shall be held as part of the Trust Fund.
- 17.7 In the event of other non-cash and non-scrip distribution made by the Company in respect of Shares held upon the Trust, the Trustee shall dispose of such distribution and, subject to paragraph 8.2, the net sale proceeds thereof shall be deemed as cash income of a Share held as part of the Trust Fund.
- 17.8 If notice is duly given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Award Shares shall vest in the Grantee and the time at which such Award Shares shall vest. If the Board determines that any Awarded Shares shall vest, it shall promptly notify the Grantee and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the Awarded Shares which are to become vested in such Grantee to such Grantee.

18. AMENDMENT OF SCHEME OR AWARDS

- 18.1 Subject to the provisions of this paragraph 18, the Board may amend any of the provisions of this Scheme or any Awards granted under this Scheme at any time and in any respect, provided that the terms of this Scheme or Awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules.

- 18.2 No amendment or alteration shall be made to any provisions of this Scheme or any Awards granted under this Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of any Grantee at that date in respect of Awards already granted to that Grantee and to the extent that such Awards have not vested or lapsed or been forfeited, without such Grantee's consent, provided that no such consent shall be required if the Directors determines in their sole discretion that such amendment or alteration either:
- (a) is necessary or advisable in order for the Company, this Scheme or the Award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or
 - (b) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated.
- 18.3 The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms of this Scheme which are of a material nature or to those provisions of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Participants. Amendments or alterations to the terms and conditions of the Scheme which are of a material nature, including but not limited to : (i) the purposes of the Scheme; (ii) the persons to or for whom Awards may be granted under the Scheme and the basis for determining their eligibility; (iii) the limits on the number of Shares which may be issued or transferred under the Scheme; (iv) the individual limits for Eligible Participants under the Scheme; or (v) any other alteration that the Listing Rules require to be approved by Shareholders in general meeting.
- 18.4 Any amendment or alteration to the terms of any Award granted of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders in general meeting) in the initial grant shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of this Scheme. Without limiting the generality of the foregoing, any change in the terms of Awards granted to any Grantee who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the rules of this Scheme).
- 18.5 Any change to the authority of the Board, including under this paragraph 18, to alter the terms of this Scheme shall be subject to the approval of the Shareholders in general meeting.

19. TERMINATION

- 19.1 The Scheme shall be valid and effective for the Scheme Period.
- 19.2 Subject to paragraph 19.3, the Scheme shall terminate on the earlier of:

- (a) the expiry of the Scheme Period;
- (b) by an ordinary resolution in general meeting; or
- (c) such date of early termination as determined by the Board,

following which no further Awards will be offered or granted under this Scheme, provided that notwithstanding such termination, the Scheme shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the Scheme and such termination shall not affect any subsisting rights already granted to any Grantee hereunder.

19.3 Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the Scheme Period and remaining unvested, unexercised and unexpired immediately prior to the termination of the operation of the Scheme in accordance with paragraph 19 shall continue to be valid and exercisable in accordance with their terms of grant after the termination of the Scheme.

19.4 Upon termination of the Scheme,

- (a) no further grant of Award and Award Shares may be made under the Scheme;
- (b) all the Award Shares (including any Related Income) of the Grantee granted under the Scheme shall continue to be held by the Trustee and become vested in the Grantee according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Grantee;
- (c) upon the expiration of the Trust Period, all Shares (except for any (i) Award Shares, including any Related Income, subject to vesting on the Grantee and (ii) the number of Treasury Shares as the Board may direct) remaining in the Trust Fund shall be sold by the Trustee within twenty-eight (28) Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine)
- (d) upon the expiration of the Trust Period all net proceeds of sale referred to in paragraph 19.4(c) and such other funds and properties (including Treasury Shares) remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares (except for any Treasury Shares) to the Company nor may the Company otherwise hold any Shares (except for any Treasury Shares) whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph 19.4(c)).

20. DISPUTES

Any dispute arising in connection with the number of Shares of an Award, any of the matters referred to in paragraph 16, any adjustment under paragraph 16 shall be referred to the decision of the Auditors or the independent financial advisor who shall act as experts and not as arbitrators and whose decision shall, in the absence of

manifest error, be final, conclusive and binding on all persons who may be affected thereby.

21. MISCELLANEOUS

- 21.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any such Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 21.2 The Company shall not be responsible to (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme, (ii) any person (including any Eligible Participant and Grantee) to obtain any consent or approval required for such person to participate in the Scheme or (iii) any Eligible Participant or Grantee for any taxes, expenses, fees or any other liability to which such Eligible Participant or Grantee may become subject as a result of participation in the Scheme.
- 21.3 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against the any member of the Group. No person shall, under any circumstances, hold the Board, the Trustee, the Trust, the Company or any other member of the Group, any administrator or any trustee or designated third party liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 21.4 In the event that an Award lapses or is forfeited in accordance with the provision of this Scheme , no Grantees shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.
- 21.5 The Company shall bear the costs of establishing and administering this Scheme.
- 21.6 All allotments and issuances of Award Shares pursuant to this Scheme will be subject to all necessary consents under any relevant legislation and Listing Rules for the time being in force in Hong Kong and in the Cayman Islands. A Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding or exercise of any Award. By accepting a grant of an Award or exercising an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with this Scheme shall be a condition precedent to an acceptance of an Award by a Grantee and an exercise by a Grantee of their Awards. Each Grantee by their acceptance of any Award thereby agrees to indemnify each member of the Group and the Trustee fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure

on the part of the Grantee to obtain any necessary consent or approval or to pay tax or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.

- 21.7 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares.
- 21.8 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 or by email, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his/her address in Hong Kong or e-mail address as notified to the Company from time to time or, if none or incorrect or out-of-date, his/her last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.
- 21.9 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 21.10 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (a) 2 days after the date of posting, if sent by mail;
 - (b) 24 hours after the time of sending by email, and;
 - (c) when delivered, if delivered by hand.
- 21.11 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations (including the Listing Rules).
- 21.12 A Grantee shall pay all tax and discharge all other liabilities to which he/she may become subject as a result of his participation in this Scheme or the exercise of any Share Option or the acceptance of any Share Award. The Company shall not be responsible for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.
- 21.13 By accepting an Offer a Grantee shall be deemed irrevocably 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/her for loss of any rights under this Scheme.
- 21.14 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.