

Yinsheng Digifavor Company Limited
銀盛數惠數字有限公司

RULES RELATING TO
THE 2024 SHARE AWARD SCHEME
(To be adopted on [30 October 2024])

Yinsheng Digifavor Company Limited
Rules Relating to the 2024 Share Award Scheme

1 Definitions and Interpretation

1.1 Definitions

In this Scheme the following expressions have the following meanings:

“Adoption Date”	means the date on which this Scheme is approved and adopted by the Shareholders of the Company in general meeting
“Associate”	has the meaning ascribed to it in the Listing Rules
“Auditors”	means the auditors for the time being of the Company
“Award”	means a share incentive award granted pursuant to and subject to the terms of this Scheme
“Award Agreement”	means the offer and acceptance letter between the Company and the Grantee evidencing the terms and conditions of an Award
“Board”	means the board of directors of the Company or a duly authorised committee thereof
“Business Day”	means any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for the transaction of normal business but excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.)
“Chief Executive”	has the meaning ascribed to it in the Listing Rules
“Close Associate”	has the meaning ascribed to it in the Listing Rules
“Company”	means Yinsheng Digifavor Company Limited
“Connected Person”	has the meaning ascribed to it in the Listing Rules
“Core Connected Person”	has the meaning ascribed to it in the Listing Rules
“Directors”	means the executive and non-executive directors of the Company

“Eligible Participant”	means any Director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted Awards as an inducement to enter into employment contract with, any member of the Group
“Expert”	means the Auditors or an independent financial advisor selected and appointed by the Company, and acting as expert, at the cost of the Company
“Grant Date”	means in respect of an Award, the date on which it is deemed to have been granted in accordance with paragraph 4.7
“Grantee”	means any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme
“Group”	means the Company and its Subsidiaries and the term “Group Company” shall be construed accordingly
“HK\$”	means Hong Kong dollars
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Inside Information”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company currently in force
“Offer”	means an offer for the grant of an Award made in accordance with section 4
“Other Share Scheme”	means at any time, any other share scheme (as defined in Chapter 17 of the Listing Rules) adopted by the Company pursuant to Chapter 17 of the Listing Rules which is then operational
“Personal Representative(s)”	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, shall represent, manage or administer the estate of the deceased Grantee
“Remuneration Committee”	means the remuneration committee of the Board

“Scheme”	means this 2024 Share Award Scheme in its present form or as amended, modified or supplemented from time to time in accordance with the provisions hereof
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 10.1
“Senior Managers”	refers to a senior manager identified as such in the Company’s annual report as required under paragraph 12 to Appendix D2 of the Listing Rules
“Share Scheme Committee”	the committee of the Board set up specifically for the purpose of the administration of this Scheme and any Other Share Scheme, comprising three Directors from time to time
“Shareholder”	means a holder of Shares
“Shares”	means ordinary share(s) of nominal or par value of US\$0.01 each in the share capital 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 share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it in the Listing Rules
“Substantial Shareholder”	has the meaning ascribed to it in the Listing Rules
“Trust Deed”	means the trust deed of the Yinsheng Digifavor Share Award Trust made between the Company and the Trustee in relation to the administration of the Scheme (as restated, supplemented and/or amended from time to time)
“Trustee”	means such persons as the Company may from time to time appoint as the trustee of any employee trust
“Vesting”	in relation to any Award, means the time from which the Grantee of that Award becoming entitled to have the Shares transferred to him subject to the terms of the Scheme. “Unvested” , “Vest” , “Vests” and “Vested” shall be construed accordingly

1.2 Construction of References

In this Scheme:

- (a) unless otherwise specified, any reference to a paragraph or section is a reference to a paragraph or section of this Scheme; and
- (b) any reference to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency.

1.3 Interpretation

In this Scheme:

- (a) words importing the plural include the singular and vice versa;
- (b) words importing a gender include every gender; and
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legalisation enacted under the relevant statute.

1.4 Headings and Contents

The headings and contents in this Scheme do not affect its interpretation.

2 Purpose of the Scheme

2.1 The purpose of the Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group, with the view to achieving the following principal objectives:

- (a) to provide the Company with a flexible means of remunerating and/or providing benefits to Eligible Participants;
- (b) to attract, retain and motivate the Eligible Participants to continue to contribute to the growth and development of the Group; and
- (c) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and becoming Shareholders, so as to optimise their performance and efficiency for the benefit of the Group and particular in its fulfilment of strategic targets.

3 Administration

3.1 Administration by the Share Scheme Committee

The Scheme shall be subject to the administration of the Share Scheme Committee whose decision shall be final and binding, save as otherwise provided in this Scheme. The Share Scheme Committee shall meet at such time as it considers appropriate, and meetings of the Share Scheme Committee shall make decisions by passing resolutions. The quorum at a meeting of the Share Scheme Committee shall be two (2) members of the Share Scheme Committee and no business shall be conducted unless a quorum is present at the beginning and throughout the meeting. Each member of the Share Scheme Committee present at the meeting (whether in person or by telephone conference or other similar communications equipment by means of which all members participating shall be capable of hearing each other) shall have one vote, provided that if the proposed Grantee(s) in question is/are the member(s) of the Share Scheme Committee, such member(s) shall abstain from voting on the relevant resolution in relation to the grant of Awards to him/herself and shall not determine on any matters in relation to grant of Awards to such member(s). A resolution is passed if more votes are cast for than against it. Anything which may be done by a meeting of the Share Scheme Committee may, without a meeting, be done by resolution in writing signed by all members of the Share Scheme Committee and in as many counterparts as may be necessary.

3.2 Determination of Terms and Conditions of Awards

Subject to the provisions of the Listing Rules, applicable laws and other regulations and the Memorandum and Articles of Association from time to time in force and without prejudice to the generality of the foregoing, the Share Scheme Committee may, in its sole and absolute discretion and based on such factors as it shall consider relevant, subject always to the approval of the Remuneration Committee, and to the extent applicable, Shareholders under paragraphs 4.8, 10.2, 10.3 and/or 15.3, grant Awards on such terms and subject to such conditions as it thinks fit and may specify those circumstances, if any, in which such terms and conditions shall be waived or treated as waived. Without prejudice to the generality of the foregoing, the Share Scheme Committee may:

- (a) grant Awards to those Eligible Participants whom it shall select from time to time, which shall be based on, amongst other things, the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group of the Eligible Participant;
- (b) determine the date of the grant of the Award;
- (c) determine the number of Shares to be subject to the Award;
- (d) determine whether the Shares to be subject to the Award shall be acquired by subscription on terms permitted by the Stock Exchange, or by purchase from the market or otherwise or reallocated from any Shares then held by the Trustee that were referable to any Award that has lapsed or is otherwise are not capable of Vesting or any combination of the foregoing;

- (e) determine (subject to compliance with paragraph 4.8) the terms and conditions of the Award, including:
- (i) the minimum period for which any Award must be held before it Vests, which shall not be less than 36 months, unless otherwise determined by the Share Scheme Committee and approved by the Remuneration Committee, and in any event shall not be less than 12 months save in the circumstances when the Grantee ceases to be an Eligible Participant by reason of the separate listing or sale of a member of the Group or disposal of the business of a member of the Group, or if the Company or another member of the Group is reorganised or merged or consolidated with another entity and the circumstances regarding a scheme of arrangement, compromise or arrangement do not apply, as set out in paragraph 6.1(b), when certain events affecting all Shareholders occur, as set out in paragraphs 6.1(c), (d), (e) and (f), and the events set out in the following specified circumstances, where the grant of Award:
 - a. is to be made to a new Eligible Participant to replace the share awards they forfeited when leaving the previous employer(s);
 - b. is subject to performance-based Vesting conditions in lieu of (in whole or in part) time-based Vesting criteria;
 - c. would have been made earlier but was delayed in order to accommodate administrative and compliance requirements of the Group that entailed Awards generally being made in batch during a year;
 - d. contains a mixed or accelerated Vesting schedule such as, where the Award may Vest evenly over a period of 12 months; or
 - e. has an aggregate Vesting and lock up period of the Shares transferred to the Grantee upon Vesting of the Awards which exceeds 12 months;
 - (ii) the performance, operating and financial targets and other criteria, if any, to be satisfied before the Award can Vest (which may be imposed in addition to a Vesting schedule);
 - (iii) the amount, if any, payable on acceptance of the Award and the period within which payments or calls must or may be made or loans for such purposes must be repaid, taking into consideration factors such as the identity of the Eligible Participant(s), the prevailing closing price of the Shares, the purpose of this Scheme, the performance of the Eligible Participant(s) and his/her potential and expected contribution to the growth and development of the Company, in order to align the overall terms of the Awards with the purpose of this Scheme. For avoidance of doubt, the Awards under this Scheme could be exercised at nil consideration or at certain price;
 - (iv) the period, if any, during which Shares allotted and issued or transferred upon Vesting of the Award shall be subject to restrictions on dealings, and the terms of such restrictions;

- (v) the notification period, if any, to be given to the Company of any intended sale of Shares allotted and issued or transferred upon Vesting of the Award;
- (f) approve the form of Award Agreements;
- (g) construe and interpret the terms and conditions of this Scheme and Awards made under it, which absent manifest error, shall be binding to all the Grantees;
- (h) to adopt and implement such administrative procedures as may be appropriate in respect of or to facilitate the grant of the Awards and the implementation of the Scheme;
- (i) prescribe, amend and rescind rules and regulations relating to this Scheme; and
- (j) subject to the other provisions of this Scheme, vary the terms and conditions of any Award Agreement, including waiving or amending (in whole or in part) any conditions to which Awards are subject.

3.3 Application for Listing

The Company will apply to the Stock Exchange for the grant of listing of and permission to deal in the Shares to be issued by the Company to the Trustee that is referable to any Award or (where applicable) to any Grantee in respect of any Vested Award pursuant to the terms and conditions of this Scheme as and when required under the Listing Rules.

3.4 Clawback

There is no clawback mechanism to recover or withhold any Unvested Award (or any portion thereof) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, except as specified in paragraph 8.1(a).

4 Grant of Awards – General

4.1 Awards to be Offered within 10 Years

On and subject to the terms of the Scheme, the Listing Rules, applicable laws and other regulations and the Memorandum and Articles of Association from time to time in force, the Share Scheme Committee may at any time within 10 years commencing on the Adoption Date make proposals for Offers to be made to such Eligible Participants as the Share Scheme Committee may in its sole and absolute discretion select. Any such proposals shall be reviewed and, if considered fit, approved by the Remuneration Committee.

4.2 Offer of an Award

Subject to approval by the Remuneration Committee, an Offer shall be made by the Share Scheme Committee in writing in an Award Agreement. An Award Agreement shall be in such form as the Share Scheme Committee may from time to time determine and shall specify:

- (a) the number of Shares in respect of which the Offer is made;
- (b) the date of Vesting or Vesting schedule, which shall not be more than 10 years from the Grant Date;
- (c) such other terms and conditions to which the Award shall be subject, including any of the matters referred to in paragraph 3.2, to the extent applicable; and
- (d) that the Grantee is to undertake to hold the Award on the terms upon which it is being granted and to be bound by the provisions of this Scheme.

4.3 Acceptance

An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his Personal Representatives) for a period of 21 days from the date on which the Offer is made or such other period as the Share Scheme Committee may specify in writing. An Offer shall be deemed to have been accepted when the counterpart of the Award Agreement duly signed by the Grantee is received by the Company at the place specified in the Award Agreement.

4.4 Offer No Longer Available for Acceptance

An Offer may not be accepted by a person who has ceased to be an Eligible Participant after the Offer has been made and prior to acceptance of the Offer. To the extent that the Offer is not accepted within the period and in the manner indicated in the Award Agreement it shall be deemed to have been irrevocably declined.

4.5 Partial Acceptance

An Offer may be accepted in respect of less than the number of Shares which are offered provided that it is accepted in respect of a number of Shares (which is clearly stated in the acceptance of the Offer) equal to a board lot for the purposes of trading of the Shares on the Stock Exchange from time to time or an integral multiple thereof.

4.6 Timing of Offer

An Offer may be made only on a Business Day. No Offer may however be made, no payment shall be made to the Trustee pursuant to paragraph 4.9(b), no Shares shall be acquired by or on behalf of the Company and no instructions to acquire Shares shall be given to the Trustee under the Scheme:

- (a) when the Company and/or any Director is in possession of Inside Information until (and including) the trading day after the Company has announced the Inside Information or until the time when such information otherwise ceases to constitute Inside Information of the Company; and
- (b) during the period commencing one month immediately before the earlier of:

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

and ending on the date of the results announcement.

Without prejudice to the above, no Offer may be made to any Director in any period during which Directors are prohibited from dealing in the securities of the Company pending the publication of results of the Company under the Listing Rules.

4.7 Grant Date

An Award in respect of the number of Shares offered and validly accepted by a Grantee in accordance with paragraphs 4.3 or 4.5 is deemed to have been granted by the Company to such Grantee on, and the Grant Date of such Award shall be, the date of the Offer (unless otherwise specified in the terms of the Award Agreement).

4.8 Offers to Directors, Chief Executives and Substantial Shareholders and their respective Associates

- (a) Each Offer of an Award to an Eligible Participant who is a Director, a Chief Executive or a Substantial Shareholder of the Company or any of their respective Associates must, if and to the extent required by the Listing Rules or paragraphs 10.2 or 10.3, be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee) and, where applicable (including but not limited to the circumstances set out in section 10), be made subject to the approval of Shareholders in general meeting, with the proposed Grantee, their respective Associates and the Core Connected Persons of the Company abstaining from voting and such other requirements of the Listing Rules then applicable.
- (b) Without prejudice to the foregoing paragraph, any Offer made to any Eligible Participant who is a Director or a Senior Manager where the Award:
 - (i) has a Vesting period of less than 12 months; and/or
 - (ii) does not include any performance target or clawback mechanism to recover or withhold any Unvested Award (or any portion thereof) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances,

shall be subject to considered explanation of the Remuneration Committee.

4.9 Employee trust

- (a) The Trustee will hold all moneys received from the Company or any Group Company, the Shares issued to or purchased by it (including any Shares that were referable to any Award that has lapsed or is otherwise are not capable of Vesting) and the income derived therefrom (including any dividends) in accordance with paragraphs 4.9(e) to (i) and the terms of the Trust Deed. For the avoidance of doubt, any Awards that have Vested and Shares which are transferred or to be transferred to the Grantee (or other persons entitled thereto) in accordance with the instructions of the Company or the Share Scheme Committee do not form part of the assets to be held upon trust by the Trustee according to the Trust Deed.
- (b) The Company and any other Group Company may provide money (either by way of contribution or loan, subject to compliance with the Listing Rules, applicable laws and other regulations and the Memorandum and Articles of Association from time to time in force) to the Trustee or its nominee to enable them to acquire Shares either by subscription or purchase from the market or otherwise to be held for the purposes of the Scheme, or enter into any guarantee or indemnity for those purposes, to the extent permitted by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Listing Rules.
- (c) The Share Scheme Committee will, when an Offer is made to and accepted by an Eligible Participant, inform the Trustee of:
 - (i) the name of the Grantee and whether that person is a Connected Person;
 - (ii) the number of Shares referable to that Award (and their nominal value);
 - (iii) the amount of funds to be made available for subscription or purchase of the relevant number of Shares;
 - (iv) whether the Shares referable to that Award are to be acquired by subscription or purchased from the market by or on behalf of the Trustee (for the benefit of the Scheme) or allocated from any Shares then held by the Trustee that were referable to any other Award that has lapsed or is otherwise are not capable of Vesting; and
 - (v) the date of Vesting or the Vesting schedule and such other terms and conditions to which that Award shall be subject, including any matters referred to in paragraph 3.2.
- (d) The Trustee shall abstain from voting any Shares held by it under the Scheme which are referable to Unvested Awards on any matter that requires Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.
- (e) 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 unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion. In the event of a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it and the net proceeds of sale of such rights shall be held as income of the trust fund unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion.

- (f) 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 unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion, and shall sell the bonus warrants, the net proceeds of sale of such bonus warrants shall be held as income of the trust fund unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion.
- (g) In the event the Company undertakes a scrip dividend scheme with cash option, the Trustee shall elect to receive cash instead of scrip Shares and the cash shall be held as income of the trust fund unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion. In the event the Company undertakes a scrip dividend scheme without cash option, such scrip Share(s) shall be held by the Trustee as Shares for the purpose of the Scheme and be administered in accordance with the terms of the Scheme.
- (h) In the event of other non-cash and non-scrip distribution (which are not Shares) made by the Company in respect of Shares held upon the trust established under the Trust Deed, the Trustee shall dispose of such distribution and the net sale proceeds thereof shall be held as income of the trust fund unless otherwise determined by the Share Scheme Committee in its sole and absolute discretion.
- (i) In the event of any other entitlements of the Shares held by the Trustee, the Trustee shall deal with such entitlements as the Share Scheme Committee determines in its sole and absolute discretion.
- (j) All the matters stated in paragraphs 4.9(e) to (i) above are subject to decisions made by the Share Scheme Committee in its sole and absolute discretion.

5 Rights of a Grantee in relation an Award or Shares referable to the Award

5.1 Rights Pending Vesting

Pending and subject to Vesting and the transfer of Shares referable to an Award to the Grantee, the Grantee of that Award shall not have any interest or rights (including any right to vote, to receive dividend or distribution, or any other rights of a Shareholder) in respect of those Shares.

5.2 No Disposal of Award

An Award shall be personal to the Grantee and no Grantee shall in any way sell, transfer, assign, charge, mortgage, dispose, encumber or create any interest in favour of any third party over or in relation to any Award. Any breach of the foregoing shall result in the automatic lapse of the Award.

6 Vesting of Awards

6.1 Vesting Date

Subject as hereinafter provided and to due compliance with the Listing Rules, applicable laws and other regulations and the Memorandum and Articles of Association from time to time in force and with its terms and conditions, an Award will Vest on the date or dates specified in the Award Agreement, provided that:

- (a) no Award will Vest unless all relevant conditions to which it is subject have been satisfied, waived or, by the terms of grant, treated as having been waived (to the extent permitted by the Listing Rules). Any waiver that might be an alteration to the terms and conditions of this Scheme which is (i) of a material nature; or (ii) relates to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants, shall be approved by the Shareholders;
- (b) if the Share Scheme Committee considers that, due to the separate listing or sale of a member of the Group or disposal of the business of a member of the Group, a Grantee should cease to be treated as an Eligible Participant, or if the Company or another member of the Group is reorganised or merged or consolidated with another entity (and paragraphs 6.1(d) and 6.1(e) below do not apply), the Share Scheme Committee may, subject to compliance with the Listing Rules, in its sole and absolute discretion:
 - (i) make such arrangements as it considers appropriate for the grant of substitute Awards of equivalent fair value to an Award (to the extent not already Vested) in the purchasing, surviving or newly-listed company;
 - (ii) reach such accommodation with the Grantee as it considers appropriate, including the payment of cash compensation to the Grantee equivalent to the fair value of an Award (to the extent not already Vested);
 - (iii) waive any conditions to Vesting of an Award (to the extent not already Vested and permitted by the Listing Rules); or
 - (iv) permit the continuation of an Award (to the extent not already Vested) in accordance with its original terms;
- (c) if a general offer by way of takeover (other than by way of scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time) with the offeror), an Award (to the extent not already Vested) shall Vest on the date the offer becomes or is declared unconditional in all respects;
- (d) if an offer by way of scheme of arrangement is made to all holders of Shares pursuant to the Companies Act (as revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) and has been approved by the necessary number of Shareholders at the requisite meetings, the Award (to the extent not already Vested) shall Vest on the date such scheme of arrangement takes effect (or such other date as may be determined by the Share Scheme Committee and notified to the Grantees generally such that the Grantees may participate in the scheme of arrangement *pari passu* with the holders of the Shares as at the date of the relevant meetings);

- (e) if a compromise or arrangement (other than by way of a scheme of 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 or the amalgamation of the Company with any other company or companies, the Company shall give notice to the Grantees on the same date as it despatches the notice to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and the Award shall immediately Vest conditional only upon such compromise or arrangement being sanctioned by the court and becoming effective (or such other date as may be determined by the Share Scheme Committee and notified to the Grantees generally). The Company may require the Grantee (or his Personal Representatives) to transfer or otherwise deal with the Shares issued or transferred as a result of the Vesting of an Award in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement;
- (f) if the Company gives a notice to its Shareholders to convene a meeting to consider and, if thought fit, pass a resolution to voluntarily wind up the Company, the Company shall give notice to the Grantees on the same date as it despatches the notice to each Shareholder of such meeting and the Award will immediately Vest conditional only upon the resolution being passed (or such other date as may be determined by the Share Scheme Committee and notified to the Grantees generally) such that the Grantees shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Shares as at the date of that meeting.

6.2 Different Vesting Date

The Share Scheme Committee may determine in its sole and absolute discretion in relation to any of the events described in paragraphs 6.1(b) to 6.1(f) a different (including earlier) Vesting date, subject to applicable legal and regulatory requirements, in order to enable the Grantee to participate in each of those events in respect of Shares referable to his relevant Awards as generally contemplated under those paragraphs.

7 Consequences of Vesting

7.1 Transfer of Shares following Vesting

The Share Scheme Committee shall promptly notify the Trustee of the Vesting of any Award and the number of Shares that shall be transferred to Grantee (other than any Shares that the Company may issue direct to the Grantee) subject to paragraph 7.2. Under normal circumstances, the Trustee shall, within five (5) Business Days, transfer the relevant Shares, or (where the Shares are available in certificated format, and if the Grantee requires delivery in physical scrip) within ten (10) Business Days, deliver the share certificates for the Shares, against receipt by the Trustee of the notice from the Share Scheme Committee, particulars of the transferee necessary for the delivery of the Shares and such transfer documents duly executed by the Grantee (or its nominee in the case of Shares being transferred electronically) as the Trustee may require. None of the Grantees shall be required to pay any amount upon the vesting of any Awards and transfer of Shares *provided that*, the Grantee shall bear all costs associated with the delivery of Shares in physical scrip (where the Shares are available in certificated format) unless the Company otherwise agrees, which shall be paid as a condition precedent to the transfer being effected.

7.2 No Allotment and Issue or Transfer of Shares in Breach of Law or upon Clawback

The Company shall not be obliged to allot and issue, or arrange for the transfer of, any Shares on Vesting of an Award, if to do so would breach any applicable law or regulation or otherwise would require the Company and/or the Directors to comply with additional requirements which, in the reasonable opinion of the Directors, are unduly onerous or burdensome or costly and the Directors may (subject to the Listing Rules, applicable laws and other regulations and the Memorandum and Articles of Association from time to time in force) determine an alternative method to provide the Grantee of such Award a similar economic benefit as if such Shares were duly allotted, issued or transferred. No Shares shall be transferred or (if applicable) allotted and issued to a Grantee notwithstanding the Vesting of an Award in the circumstances described in paragraph 8.1(a).

7.3 Ranking of Shares

Shares being transferred or (if applicable) allotted and issued to a Grantee (or its nominee if the Shares are to be transferred electronically) upon the Vesting of an Award will be subject to all the provisions of the Memorandum and Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully paid Shares then in issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of transfer or (if applicable) allotment and issue, except the Grantee shall not be entitled to receive any entitlements the record date or ex-entitlement date for which falls before the date of transfer of such Shares. For the avoidance of doubt, Grantees shall have no right to receive any dividend (or any amount equal in value to any dividends) paid or which may be payable by reference to a record date falling prior to Vesting of an Award.

8 Lapse of Awards

8.1 An Award (to the extent not Vested) shall lapse automatically on the earliest of:

- (a) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment on grounds entitling the employer to effect such termination without notice (including, but not limited to, if he has been guilty of serious misconduct, or has committed any act of bankruptcy, has become insolvent or has made any arrangements or composition with his creditors generally or has been convicted of any criminal offence involving his integrity or honesty or has done something which brings any member of the Group into disrepute or in the event of a material misstatement in the Company's financial statements) whether pursuant to the terms of the contract of employment of the Grantee or otherwise, or the date on which a notice terminating the employment of such Eligible Participant for such reason is in fact given, whichever is the earlier. In the circumstances described above, where an Award has Vested but the Shares referable to the Vested Awards have not yet been transferred to the relevant Grantee, such Awards shall be deemed not to have Vested and shall lapse immediately, and no Shares shall be transferred. A resolution of the Board to the effect that the employment or directorship of the Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8.1(a) shall be conclusive and binding on the Grantee;

- (b) the date on which the Grantee sells, transfers, assigns, charges, mortgages, disposes, encumbers or creates any interest in favour of any third party over or in relation to any Award, in breach of paragraph 5.2;
- (c) when the Grantee ceases to be an Eligible Participant, by reason of:
 - (i) his death (in which case the lapse shall occur on the date of death);
 - (ii) ill health, injury or disability preventing the Grantee from performing his duties under his employment or service agreement (as evidenced to the satisfaction of the Share Scheme Committee) (in which case the lapse shall occur on the date determined by the Share Scheme Committee);
 - (iii) retirement in accordance with his contract of employment or service with a member of the Group or early retirement (which refers to any retirement before attaining the age of 65 unless the Share Scheme Committee otherwise determines) with the approval of the member of the Group which employs the Grantee (in which case the lapse shall occur on the date of retirement);
 - (iv) termination of employment by redundancy (in which case the lapse shall occur on the effective date of termination of employment); or,
 - (v) termination or cessation of employment or directorship for any other reason other than in circumstances contemplated under paragraphs 8.1(a) and 8.1(c)(i) to (iv) (in which case the lapse shall occur on the date of termination or cessation of such employment (which date shall be the last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not) or directorship (which date shall, in the case of resignation, be the effective date of the resignation as a director of the Company or the relevant member of the Group, and in all other cases, the date as determined by the Share Scheme Committee at its absolute discretion),

in each case unless the Share Scheme Committee has, in its sole and absolute discretion, determined otherwise or if the Grantee ceases to be an Eligible Participant in one capacity but is immediately thereafter an Eligible Participant in the same or different capacity (such as, but not limited to, where the Grantee retires and is re-elected as a director of a member of the Group);

- (d) the failure of the Grantee to satisfy any performance, operating and financial targets and other criteria on or before the Vesting date specified in the Award;
- (e) the failure of the Grantee to accept the Shares upon Vesting of the Award in accordance with and/or provide such information as may be required under the terms of the Award Agreement; or
- (f) the date on which the Award is cancelled by the Share Scheme Committee as provided for in paragraph 9.1.

For the purpose of calculating the Scheme Mandate Limit, any Awards lapsed automatically will not be regarded as utilised.

9 Cancellation of Awards

9.1 Cancellation

The Share Scheme Committee may at any time at its absolute discretion cancel any Award granted but not vested or lapsed.

9.2 Regrant of Award

Any grant of an Award to an Eligible Participant following the cancellation of an Award pursuant to paragraph 9.1 may only be made in accordance with the terms of the Scheme, including but not limited to the limits specified in paragraphs 10.1 to 10.4 which would, for the avoidance of doubt, be regarded as continuing to have been utilised in respect of the number of Shares which were the subject of the cancelled Award.

10 Scheme Limit and Maximum Number of New Shares Available for Subscription

10.1 Scheme Limit

The Share Scheme Committee shall not make any Awards that may result in the total number of Shares to be issued under Awards granted under the Scheme and any awards and/or options granted under any Other Share Scheme exceeding 10% of the Shares in issue as at as at the Adoption Date (the “**Scheme Mandate Limit**”), unless:

- (a) such Scheme Mandate Limit shall have been “refreshed” in accordance with the requirements of the Listing Rules; or
- (b) such Awards are made to Eligible Participants and on terms specifically identified with the separate approval by Shareholders in general meeting and otherwise in accordance with the requirements of the Listing Rules,

and for the purpose of calculating the Scheme Mandate Limit, any Awards lapsed in accordance with the terms of the Scheme will not be regarded as utilised. For the record, the number of Shares in issue as at the Adoption Date was 415,000,000 Shares, and thus the Scheme Mandate Limit as at the Adoption Date was 41,500,000 new Shares.

10.2 Grant to Directors, the Chief Executive and their respective Associates

Without prejudice to the provisions of paragraph 4.8, no Award to a Director (other than an independent non-executive Director) or the Chief Executive of the Company, or any of their Associates which would result in the new Shares issued and to be issued in respect of all Awards granted under this Scheme together with any awards granted under any Other Share Scheme (excluding any Award lapsed in accordance with the terms of the Scheme and any awards lapsed in accordance with the terms of the relevant Other Share Scheme) to such person in the 12-month period up to and including the Grant Date of such Award in aggregate exceeding 0.1% of the Shares in issue on the Grant Date shall be granted without the approval of Shareholders as required under the Listing Rules, with the proposed Grantee, their respective Associates and the Core Connected Persons of the Company abstaining from voting in favour and such other requirements of the Listing Rules then applicable.

10.3 Grant to Independent Non-Executive Directors, Substantial Shareholders and their respective Associates

Without prejudice to the provisions of paragraph 4.8, no Award to an independent non-executive Director or a Substantial Shareholder of the Company, or any of their Associates which would result in the new Shares issued and to be issued in respect of all Awards granted under this Scheme together with any awards and/or options granted under any Other Share Scheme (excluding any Award lapsed in accordance with the terms of the Scheme and any awards/options lapsed in accordance with the terms of the relevant Other Share Scheme) to such person in the 12-month period up to and including the Grant Date of such Award in aggregate exceeding 0.1% of the Shares in issue on the Grant Date shall be granted without the approval of independent Shareholders as required under the Listing Rules. The Company shall send a circular to the Shareholders in accordance with the Listing Rules and the proposed Grantee, their respective Associates and all Core Connected Persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting of the Shareholders. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

10.4 Limit for each Eligible Participant

Without prejudice to paragraphs 10.2 and 10.3, no Award to any Eligible Participant which would result in the new Shares issued and to be issued in respect of all Awards granted under this Scheme together with any awards and/or options granted under any Other Share Scheme (excluding any Award lapsed in accordance with the terms of the Scheme and any awards/options lapsed in accordance with the terms of the relevant Other Share Scheme) to such person in the 12-month period up to and including the date of such Award in aggregate exceeding 1% of the number of Shares in issue on the Grant Date shall take effect without the approval of Shareholders as required under the Listing Rules, with the proposed Grantee and his Close Associates (or Associates if the Grantee is a Connected Person) abstaining from voting.

10.5 Adjustment to Maximum Number

The number of Shares referred to in this section 10 shall be adjusted in such manner as the Expert shall certify in writing to be appropriate in accordance with paragraph 10.1 in the event of any alteration in the capital structure of the Company.

10.6 Determination of limits

The Company shall be responsible for determining and monitoring the limits and thresholds prescribed under this section 10 and for keeping the Trustee informed of such limits and thresholds for purpose of administering the Scheme and the Rules, and the Trustee shall not incur any liability for relying on such information provided by the Company.

11 Reorganisation of Capital Structure

11.1 Adjustment of Awards on Alteration of Capital Structure

In the event of a capitalisation issue, rights issue, open offer with a price dilutive element, consolidation or subdivision of Shares or reduction of capital of the Company while any Award remains Unvested, the number of Shares subject to the Award already granted shall be adjusted such that the Grantee would be entitled on Vesting of his Awards the same proportion of the issued Shares to which he would have been entitled had such Award Vested immediately prior to the event giving rise to the adjustment, rounded to the nearest whole Share provided that:

- (i) no adjustments may be made to the extent that any Shares will be required to be issued at less than its nominal value (if any); and
- (ii) all such adjustments shall be made in accordance with or in a manner consistent with the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange then applicable.

11.2 No Adjustments

For the avoidance of doubt, no adjustments shall be made pursuant to paragraph 11.1 in respect of (i) any issue of Shares or securities convertible into Shares for cash other than by way of rights to Shareholders generally then existing (subject to any exclusions permitted under the Listing Rules) or (ii) by way of consideration pursuant to any transaction or (iii) any purchase or repurchase of Shares by the Company or any of its subsidiaries.

11.3 Certification of Adjustments

No adjustment (other than any adjustment made on a capitalisation of profits or reserves) shall take effect unless the Expert certifies to the Share Scheme Committee in writing that such adjustment is made in accordance with the requirements of paragraphs 11.1 to 11.2. The Company shall promptly engage an Expert to provide certification, where required pursuant to this paragraph, and the adjustment so certified shall take effect on the date of the event giving rise to the certificate, subject to receipt of the certificate from the Expert and notwithstanding the date of certification may be at a later date. Any such certificate shall be finding and binding on the Company and the Grantees, in the absence of manifest error.

11.4 Trustee to be Informed of Adjustments

The Company shall promptly inform the Trustee and Grantees of any adjustments made pursuant to this section 11.

12 Share Capital

The Company shall ensure that there is sufficient authorised but unissued share capital to satisfy the Vesting of all Awards from time to time outstanding (except to the extent any Awards are to be satisfied by the transfer of existing Shares) and the Share Scheme Committee shall make available sufficient of such authorised but unissued share capital of the Company for such purpose.

13 Disputes

Any dispute arising in connection with the Scheme (whether as to the number of Shares, the subject of an Award, or otherwise) shall be referred to the decision of the Share Scheme Committee whose decision shall be final and binding.

14 Withholding

The Company, any employing company or the trustee of any employee benefit trust may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Awards. These arrangements may include the sale or reduction in number of any Shares unless the Grantee discharges the liability himself.

15 Alteration of the Scheme and Awards

15.1 Alterations of the Scheme Subject to Grantee Consent

Subject to paragraph 15.3 and without prejudice to paragraph 15.4, the Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Grantee hereunder except where the consent in writing of Grantees is obtained amounting to three-fourths in nominal value of all Shares held by the Trustee referable to the Awards granted to such Grantees on the date of such resolution of the Board (the “**Alteration Approval**”).

15.2 Change to Authority of the Share Scheme Committee or Board

Any change to the authority of the Share Scheme Committee or the Board to alter the terms of the Scheme must be approved by ordinary resolution of Shareholders in general meeting.

15.3 Alterations of the Scheme Subject to Shareholder Approval

Alterations to the Scheme which are of a material nature or any alterations to the provisions relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or future Grantees including those which relate to:

- (a) the purposes of the Scheme, as set out in section 2;
- (b) to the persons to or for whom Awards may be granted under the Scheme and the basis for determining their eligibility;
- (c) the limits on the number of Shares which may be issued under the Scheme as calculated in accordance with paragraph 10.1;
- (d) the individual limits for grants under the Scheme above which independent Shareholder/ Shareholder approval is required, as calculated in accordance with paragraphs 10.2 to 10.4, respectively; or
- (e) any other matters prescribed by the Listing Rules to be subject to this restriction,

must be approved by Shareholders in general meeting, except where the alterations take effect automatically under the terms of the Scheme.

15.4 Alterations of the Scheme by the Board

The Board need not obtain the Alteration Approval or the approval of the Shareholders for any minor changes:

- (a) to benefit the administration of the Scheme;
- (b) to comply with or take account of the provisions of any proposed or existing legislation or regulation (including the Listing Rules) or any changes thereto; or
- (c) to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any Grantee or future Grantee,

or for alterations which take effect under the terms of the Scheme.

15.5 Approval for Changes to Awards Granted

Any change to the terms of Awards granted to an Eligible Participant must be approved by the Share Scheme Committee, the Remuneration Committee and (to the extent applicable) the Shareholders (as the case may be) if the initial grant of Awards was approved by the Share Scheme Committee, the Remuneration Committee and/or the Shareholders. This paragraph does not apply where the alterations in terms take effect automatically under the terms of the Scheme.

Changes to be Compliant with Laws, Regulations and Listing Rules Notwithstanding the other provisions of this section 15, no amendment shall be made to the terms of the Scheme or Awards granted or to be granted under it if such terms or Awards would be inconsistent with the relevant law and regulations, including Chapter 17 of the Listing Rules, in force from time to time.

16 Termination

The Scheme shall terminate on the earlier of the 10th anniversary of the Adoption Date and such earlier date of termination as the Board may determine and in such event no further Awards shall be offered but in all other respects the provisions of the Scheme shall remain in full force and effect. All Awards granted prior to such termination and not Vested at the date of termination shall remain valid, subject to the terms of this Scheme.

17 Miscellaneous

17.1 Costs of Establishment and Administration

The Company shall bear all associated costs of establishing and administering the Scheme, including any costs of the Trustee, any licensed securities dealers, the Expert in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme or any other third party service provider.

17.2 Not a Contract of Employment

This Scheme shall not constitute part of any contract of employment or for services between any member of the Group and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment or provision of service shall not be affected by his participation in this Scheme or any right he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or provision of service for any reason.

17.3 Offers on a Case-by-Case Basis and not to form part of Remuneration

The grant of an Award on a particular basis in any year does not create any right to or expectation of the grant of Awards on the same basis, or at all, in any future year. Participation in the Scheme does not imply any right to participate, or to be considered for participation in any later operation of the Scheme. Subject to any applicable legislative requirement, any Award will not be regarded as remuneration for pension purposes or for the purposes of calculating payments on termination of employment.

17.4 Waiver of Loss of Rights or Benefit

By accepting an Offer, a Grantee shall be deemed irrevocably to have waived any entitlement to any sum or other benefit to compensate him, by way of compensation for loss of office or otherwise, for or in respect of any loss of any rights or benefits under any Award then held by him or otherwise in connection with the Scheme.

17.5 No Rights against the Company

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

17.6 Summary of Terms

The Company will provide a summary of the terms of the Scheme to all Eligible Participants on joining the Scheme (and a copy of this document to any Eligible Participant who requests such a copy). The Company will provide to all Eligible Participants all details relating to changes in the terms of the Scheme during the life of the Scheme as soon as reasonably practicable upon such changes taking effect.

17.7 Personal Data

By participating in the Scheme the Grantee consents to the holding and processing of personal data provided by the Grantee to the Company for all purposes relating to the operation of the Scheme. These include, but are not limited to:

- (a) administering and maintaining Grantee records;
- (b) providing information to Trustees of any employee trust, registrars, brokers or third party administrators of the Scheme;

- (c) providing information to future purchasers of the Company or the business in which the Grantee works; and
- (d) transferring information about the Grantee to a country or territory outside Hong Kong for all purposes relating to the operation of the Scheme.

17.8 Notices Sent to Shareholders

A Grantee shall be entitled to receive electronic copies of all notices and other documents sent by the Company to Shareholders at the same time or within a reasonable time of any such notices or documents being sent to Shareholders.

17.9 Notices between Company and Grantee

Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.

Any notice or other communication served by post:

- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
- (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

17.10 Grantee to Obtain Own Professional Advice

A Grantee shall be responsible for obtaining his own legal, accounting and tax advice, together with any governmental or other official consent that may be required by any country or jurisdiction in order to permit the acceptance of a Grant and/or the Vesting of his Awards. By accepting an Offer, the Grantee thereof is deemed to have represented to the Company that he has obtained the relevant advice appropriate for the Grantee and has also obtained all such consents. 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 or the exercise or Vesting of any Award.

17.11 Governing Law

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

This Scheme has been duly adopted by the Shareholders on the day and year first above written.