

PARADISE ENTERTAINMENT LIMITED
滙彩控股有限公司*
(incorporated in Bermuda with limited liability)

SHARE AWARD SCHEME

27 May 2025

* *For identification purposes only*

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1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purpose of this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Actual Selling Price”	means the actual price at which the Award Shares and any securities are sold (net of brokerage, Stock Exchange trading fee, Securities and Futures Commission transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable costs) on the vesting of an Award pursuant to this Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Clause 7.1, the consideration receivable under the related scheme or offer;
“Adoption Date”	means 27 May 2025, the date on which this Scheme is conditionally adopted by resolution of the Shareholders at general meeting;
“Applicable Law(s)”	means any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules);
“Associate(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Award(s)”	means an award granted by the Board to the Selected Participants which may be settled in the form of transfer of the Award Shares or payment of the Actual Selling Price in cash as the Board may determine in accordance with the terms of the rules of this Scheme;
“Award Letter(s)”	shall have the same meaning ascribed to it under Clause 6.1(b);
“Award Period”	means the period commencing on the Adoption Date, and ending on the expiry of this Scheme as set out in Clause 4.1;
“Award Share(s)”	shall have the same meaning ascribed to it under Clause 6.1(a);
“Bankruptcy”	means, in respect of any Grantee, any of the following events: (a) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertakings of the

Grantee (being a corporation);

- (b) the Grantee (being a corporation) has ceased or suspended payment of its debts (within a meaning of section 178 of the C(WUMP)O), become unable to pay its debts or otherwise become insolvent;
- (c) there is unsatisfied judgment, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
- (d) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-clauses (a), (b) and (c) above; or
- (e) a bankruptcy order has been made against the Grantee or any director or shareholder of the Grantee (being a corporation) in any jurisdiction;

“Benefits”	shall have the same meaning ascribed to it under Clause 6.4(b);
“Board”	means the board of Directors or a duly authorised committee thereof;
“board lot”	means the board lot in which Shares are traded on the Stock Exchange from time to time;
“Business Day(s)”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-Laws”	means the bye-laws of the Company, as amended from time to time, and “Bye-Laws” shall mean a bye-law of the Bye-Laws;
“Chief Executive(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Close Associate(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Company”	means Paradise Entertainment Limited, a company incorporated under the laws of Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1180);

“Connected Person(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Controlling Shareholder(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Core Connected Person(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Culpable Termination”	means the termination of the Grantee’s employment or early termination of the Grantee’s contractual engagement with the Group on the grounds that he has been guilty of serious misconduct, including but not limited to (a) material negligence or derelict in his/her duties; (b) any act in breach of relevant local laws or regulations or the Bye-Laws; (c) conviction of criminal offence involving his/her integrity or honesty; (d) during his/her employment, he has accepted or asked for bribes, committed graft and embezzlement, or has disclosed operational or technical secrets of the Group, or has engaged in connected transactions which damage the interests and reputation of the Group, or has acted otherwise that would have material adverse effects on the image of the Group and result in loss to the Group (as sufficiently proved by a Group member); or (e) any violation of the Group’s internal rules and regulations;
“C(WUMP)O”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Director(s)”	means the director(s) of the Company;
“Disability” or “Disabled”	shall have the same meaning as defined under the long-term disability policy (if any) of the relevant company to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the relevant company to which the Grantee provides services does not have a long-term disability policy in place, “Disability” or “Disabled” shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its discretion;

“Eligible Participant(s)”	means any Employee Participant, Related Entity Participants and Service Provider, provided that the Board shall have absolute discretion to determine whether or not one falls within the above category;
“Employee Participant(s)”	means a director (including executive, non-executive and independent non-executive directors) or an employee (whether full time or part time) of any member of the Group;
“Grant Date”	means the date (which shall be a Business Day) on which the grant of an Award is made to an Eligible Participant, being the date of the Award Letter;
“Grantee(s)”	means a Selected Participant who has accepted the grant of an Award in the manner set out in Clause 6.1(d);
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Other Schemes”	means schemes adopted by the Company involving the grant of share options or award shares by the Company, other than this Scheme;
“Refreshed Scheme Mandate Limit”	shall have the same meaning ascribed to it under Clause 8.3(b);
“Refreshed Service Provider Sublimit”	shall have the same meaning ascribed to it under Clause 8.3(b);
“Related Entity Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company;
“Restricted Action(s)”	shall have the same meaning ascribed to it under Clause 6.9;
“Returned Share(s)”	means such Award Shares which are not vested and/or are forfeited in accordance with the terms of this Scheme, or such Shares being deemed to be Returned Shares under the terms of the rules of this Scheme;

“Sale Date”	shall have the same meaning ascribed to it under Clause 6.3(b)(i);
“Scheme”	means this share award scheme in its present or any amended form as adopted by the Company on the Adoption Date or as otherwise altered in accordance with this share award scheme;
“Scheme Mandate Limit”	shall have the same meaning ascribed to it under Clause 8.1;
“Selected Participant(s)”	means any Eligible Participant approved for participation in this Scheme on the relevant Grant Date pursuant to Clause 5.1 (or in the case of a Selected Participant, his/her legal personal representative or lawful successor as the case may be);
“Service Provider(s)”	person(s) (including corporate entities) who provide services to any member of 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 further identified by the Board where the continuity and frequency of their services are akin to those of employees of the Group, and provided that any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category;
“Service Provider Sublimit”	within the Scheme Mandate Limit, the maximum number of new Shares which may be allotted and issued together with treasury shares which may be transferred in respect of all Awards that may be granted under this Scheme and all share options and share awards which may be granted under any other share schemes for the time being of the Company to the Service Providers, which shall not in aggregate exceed 1% of the total number of Shares in issue (excluding any treasury shares) as at the Adoption Date or the date of approval of the Refreshed Service Provider Sublimit, whichever is the latest;
“Shareholder(s)”	means the holder(s) of the Shares;
“Share(s)”	means ordinary share(s) of HK\$0.001 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;
“Substantial Shareholder(s)”	shall have the same meaning ascribed to it under the Listing Rules;
“Taxes”	shall have the same meaning ascribed to it under Clause 6.3(e);
“Trust(s)”	means the trust(s) constituted by the Trust Deed(s) to implement this Scheme;
“Trust Deed(s)”	means the trust deed(s) entered or to be entered into between the Company and the Trustee(s) (as may be restated, supplemented and amended from time to time);
“Trustee(s)”	the trustee(s) appointed or to be appointed by the Company from time to time for the purpose of the Trust(s), which should be independent and not be connected with the Company or the connected persons of the Company;
“Vesting Date(s)”	the dates, as determined from time to time by the Board, on which the Award is to vest in the relevant Grantee as set out in the relevant Award Letter; and
“Vesting Notice(s)”	shall have the same meaning ascribed to it under Clause 6.3(b)(i).

1.2 Construction of references and interpretation

In these rules of this Scheme, save where the context otherwise requires:

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of these rules of this Scheme;
- (b) references to clauses are references to clauses of these rules of this Scheme;
- (c) expressions in the singular shall include the plural and vice versa;
- (d) expressions in any gender shall include other genders;
- (e) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind; and
- (f) any references, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant statute, provision or rule.

2. PURPOSE OF THIS SCHEME

2.1 This Scheme is a share incentive scheme and is established to enable the Group to:

- (a) recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the Eligible Participants, and attract, retain and motivate the Eligible Participants to continue to contribute to the growth and development of the Group;
- (b) provide Eligible Participants with direct economic benefits in order to maintain a long term relationship between the Group and the Eligible Participants; and
- (c) to align the interest of the Eligible Participants with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

3. CONDITIONS

3.1 This Scheme shall take effect upon the satisfaction of the following conditions:

- (a) the passing of the necessary resolution(s) by the Shareholders at general meeting as required by the Bye-Laws for approving the adoption of this Scheme and authorising the Directors to grant the Award Shares under this Scheme and to allot, issue and deal with the Shares (including the transfer of treasury shares) in respect of any Awards to be granted pursuant to this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may be allotted and issued by the Company in respect of any Awards to be granted in accordance with the terms and conditions of this Scheme.

3.2 References in Clause 3.1 to the Stock Exchange granting the approvals, listing and permission referred to therein shall include approvals, listing and permission that are granted subject to conditions.

4. DURATION AND ADMINISTRATION

4.1 Subject to Clauses 3 and 12, this Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date. Upon the expiry or termination of this Scheme, no further Awards will be offered or granted, but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awards granted prior to the expiration of this Scheme, or otherwise to the extent as may be required in accordance with the provisions of this Scheme.

4.2 This Scheme shall be subject to the administration of the Board in accordance with the provisions of this Scheme and, where applicable, the Trust Deed. A decision of the Board shall (save as otherwise provided herein) be final, conclusive and binding on all parties. Without prejudice to the generality of the foregoing, the Board shall, subject to Applicable Laws, have the absolute discretion to:

- (a) interpret and construe the provisions of this Scheme;
- (b) determine the persons to whom Awards are offered or granted under this Scheme and the number of Shares subject to an Award so offered or granted;

- (c) determine the terms and conditions for each Award;
- (d) decide how the vesting of the Award Shares will be settled pursuant to Clause 6.3;
- (e) subject to Clause 7.5, make such appropriate and equitable adjustments to the terms of Awards granted under this Scheme as it deems necessary;
- (f) subject to Clause 11, adopt rules and regulations for carrying out this Scheme or alter this Scheme;
- (g) prescribe the form or forms of instruments to be issued as evidence of any Awards granted under this Scheme; and
- (h) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.

5. ELIGIBILITY CRITERIA

- 5.1 The eligibility of each of the Selected Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis.
- 5.2 For Employee Participants, the Board will generally consider, amongst others, (i) the experience of the Employee Participant on the Group's businesses; (ii) the length of service of the Employee Participant with the Group; (iii) the individual performance, time commitment, responsibilities or employment conditions with reference to the prevailing market practice and industry standard; and (iv) the individual contribution or potential contribution to the development and future growth of the Group.
- 5.3 For Related Entity Participants, the Board will generally consider, amongst others, (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue 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 the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise 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 core business of the Group through a collaborative relationship.
- 5.4 Service Providers who are eligible under this Schemes are categorised into (a) contractors, distributors and suppliers; and (b) partners and advisors of any member of the Group who provide services to the Group to support the Group's business activities for the time being and in the future, but for the avoidance of doubt shall exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity. Set out below are the detailed descriptions of each category of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers, on a case-by-case basis, under this Scheme:

Category of Service Provider	Contribution to the Group	Criteria for determining eligibility
(a) Contractors, distributors and suppliers	Service Providers under this category are contractors, distributors and suppliers which the Group engages for its day-to-day operation in the business of the Group through the provision of services or products to the Group to render day-to-day management and operation services.	<ul style="list-style-type: none"> (i) The background, expertise, professional qualifications and industry experience of the Service Provider; (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods; (iii) the scale of the Service Provider's business dealings with the Group with regard to factors such as income or savings in terms of expenses attributable to such Service Provider, the materiality and nature of such business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third party(ies)); (iv) the Group's period of engagement of or collaboration with the Service Provider; (v) the prevailing market fees chargeable by comparable services providers; and (vi) the Service Provider's actual or potential contribution to the Group with regard to factors such as the actual or expected reduction in costs of the Group or increase in revenue or profit of the Group.
(b) Partners and advisors	Service Providers under this category include partners and advisors who provide advisory and/or consulting services to the Group's principal business or day-to-day operation in the fields of marketing and promotion services and technical services.	<ul style="list-style-type: none"> (i) The background, expertise, professional qualifications and industry experience of the Service Provider; (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services or goods (if any); (iii) the scale, materiality and nature of the business relationship of the Service Provider with the Group (such as whether they relate to the core
	The above services are provided in areas relating to the Group's principal business activities and help maintain or enhance the competitiveness of the Group by way of introducing new	

customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the relevant fields.

business of the Group and whether such business dealings could be readily replaced by third party(ies));

- (iv) the Group's period of engagement of or collaboration with the Service Provider;
- (v) the ability of the Service Provider to maintain the quality of services;
- (vi) the benefits and strategic value brought or to be brought by the Service Provider to the Group's development and future prospects with regard to factors such as the actual or expected change in the Group's profits and/or income which is or may be attributable to the Service Provider's collaboration with the Group; and
- (vii) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

5.5 In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are ancillary to the businesses conducted by the Group.

5.6 Subject to Clause 6.4, a Grantee must continue to qualify as an Eligible Participant during the period when any Award granted to him remains outstanding, or otherwise the Company would (subject to the Applicable Laws) be entitled to deem any outstanding Award or any part thereof, granted to such Grantee, as lapsed.

5.7 For the purpose of Clauses 5 and 6:

- (a) an Eligible Participant which is a corporation (wherever incorporated or unincorporated) will be regarded as ceasing to be an Eligible Participant if there is any change of the management and/or shareholding of the Eligible Participant, unless otherwise determined to the contrary by the Board;
- (b) an Eligible Participant which is a trust will be regarded as ceasing to be an Eligible Participant if there is any change of the beneficiary or beneficiaries of the Eligible Participant, unless otherwise determined to the contrary by the Board;

- (c) an Eligible Participant which is a discretionary trust will be regarded as ceasing to be an Eligible Participant if there is any change of the discretionary object(s) of the Eligible Participant, unless otherwise determined to the contrary by the Board;
- (d) an Eligible Participant shall not be regarded as ceasing to be an Eligible Participant by reason of the transfer of the relevant Employee's employment from a member of the Group to another member of the Group; and
- (e) an Eligible Participant shall not be regarded as ceasing to be an Eligible Participant by reason of his/her retirement as a director of the relevant company by rotation at general meeting if he is re-elected as a director at the same general meeting pursuant to the articles of association or bye-laws of that company

6. **OPERATION OF THIS SCHEME**

6.1 **Grant of Award Shares**

- (a) Subject to the terms and conditions of this Scheme, during the Award Period, the Board may, during a period of ten (10) years commencing on the Adoption Date, at its absolute discretion, grant a Selected Participant an Award of such number of Shares (the "**Award Shares**") which shall be subject to such conditions as may be determined by the Board in its absolute discretion.
- (b) The Company shall issue a letter to each Selected Participant in such form as the Board or the remuneration committee of the Board may from time to time determine (the "**Award Letter**"), specifying the Grant Date, the number of Award Shares underlying the Awards, the Vesting Dates, grant price (if any) and such other criteria, conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in this Scheme as it may think fit and such further details as the Board may consider necessary including (without prejudice to the generality of the foregoing):
 - (i) vesting period and conditions, restrictions or limitations relating to the achievement of targets. The performance targets may comprise a mixture of attaining satisfactory financial targets and management targets which shall be determined based on the (i) performance of the Group; (ii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantee; and/or (iii) individual performance. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Grantee. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors;
 - (ii) grant price of the Award Shares (if any), which shall be determined by the Board from time to time based on considerations such as the purpose of the Awards and the characteristics and profile of the Selected Participant. Such grant price shall be paid to the Company within the time period stipulated in the Award Letter;
 - (iii) clawback mechanism for the Company to recover or withhold any remuneration (which may include Awards granted) to any Eligible Participants in the event of serious misconduct or other circumstances as the Board may in its absolute discretion determine; and

- (iv) if applicable, the satisfactory performance of certain obligations by the Grantee as the Board may determine from time to time.
- (c) An Award cannot be accepted by an Eligible Participant who ceases to qualify as an Eligible Participant after the Award has been made.
- (d) An Award is accepted by the Selected Participants when the Company receives from the relevant Selected Participant:
 - (i) a duly completed and executed duplicate of the Award Letter; or
 - (ii) an agreement in such electronic form as may be prescribed by the Company from time to time,

and a remittance of the grant price or, if there is no grant price, a sum of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) as consideration for the grant of the Award within the time period stipulated in the Award Letter and in the absence of such provisions, within twenty-eight (28) days after the Grant Date. Such remittance is not refundable under any circumstances.

- (e) As soon as practicable after the grant and acceptance of any Award by a Grantee, the Company shall notify the Trustee of:
 - (i) the name of each such Grantee to whom such an Award has been made and accepted;
 - (ii) the number of Award Shares to which each such Award relates; and
 - (iii) the date or dates on which each such Award is expected to vest.

6.2 Appointment of Trustee and maintenance of Trust

- (a) Without prejudice to the Board's general power of administration, the Board may appoint a Trustee to assist with the administration and vesting of the Awards granted pursuant to this Scheme. The Company may at any time, but in any event at least three (3) months prior to the Vesting Date of any Award Shares, and after having regard to the requirement under Clause 6.9:
 - (i) allot and issue such number of Shares to the Trustee as approved by the Board under the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit granted or to be granted by the Shareholders at general meetings of the Company from time to time for future awards;
 - (ii) pay to the Trustee such monies in such amount as approved by the Board, and may give directions or a recommendation to the Trustee to apply such monies, paid or already held as part of the funds of the Trust to acquire such number of Shares on the market;
 - (iii) transfer out of treasury that are held as treasury Shares to the Trustee and/or other part(ies) so designated (as applicable); and/or
 - (iv) utilise any Returned Shares held in the Trust,

to satisfy in full the Award Shares which are vested and/or which shall be vested shortly.

- (b) Within a reasonable time period as agreed between the Trustee and the Company from time to time after receiving the amount or the direction to use such amount as specified in Clause 6.2(a)(ii) above, the Trustee shall apply the same towards the purchase of the Shares at the prevailing market price in order to satisfy any Award which shall be vested shortly. Any excess amount provided shall be retained by the Trustee for the benefit of the Trust. Where the amount paid or caused to be paid by the Company or where the amount that the Trustee is directed by the Company to use is not sufficient to purchase all of the Shares required to satisfy any Award which shall be vested shortly, the Trustee shall acquire the maximum number of board lots of Shares that it is able to acquire with the net cash available in the fund of the Trust and the Company undertakes to provide further funds to the Trustee. For the avoidance of doubt, the purchase of Shares pursuant to this Clause 6.2(b) is subject to the maintenance of an orderly market and the Shares so purchased shall form part of the capital of the trust fund of the Trust.
- (c) The Trustee shall only be obliged to transfer Award Shares to Grantees on vesting to the extent that Award Shares are comprised in the Trust.

6.3 Settlement and/or payment of Award

- (a) Upon the satisfaction of conditions including without limitation, the vesting of the Award, the Board may at its absolute discretion to either:
 - (i) direct and procure the Trustee to release the Award Shares to the Grantees by transferring the number of Award Shares to the Grantees in such manner as determined by the Board in its absolute discretion from time to time;
 - (ii) procure the Company to transfer the number of treasury Shares in issue as Award Shares to the Grantee as fully paid up Shares directly. For the avoidance of doubt, the treasury Shares (if any), as a source of the Award Shares, shall be held or deposited in a segregated securities account of the Company;
 - (iii) to the extent where it is in the reasonable opinion of the Company not practicable for the Grantee to receive the Award Shares due to legal or regulatory restrictions or otherwise with respect to the Grantee's ability to receive the Award in Shares or securities or the Trustee's ability to give effect to any such transfer to the Grantee, procure the Company or direct and procure the Trustee to sell the number of Award Shares on such dates and in such manner as the Board shall in its absolute discretion determine and pay the Grantee the proceeds arising from such sale based on the Actual Selling Price of the Shares in cash; or
 - (iv) no later than three (3) Business Days prior to the Vesting Date of any Share underlying any part of an Award to any Grantee, inform the relevant Grantee that no Share underlying such part of the Award shall be transferred to the Grantee on the Vesting Date and instead the Company shall pay such Grantee the cash value, based on the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Vesting Date, in lieu of the vesting,

in accordance with the procedure set out in Clause 6.3(b).

- (b) Except in the circumstances as set out in Clause 6.4(b),
 - (i) the Company shall, from time to time prior to any Vesting Date (or in the case of a vesting of the Award anticipated under Clause 7.1, the proposed Vesting Date), send to the relevant Grantee a vesting notice (the “**Vesting Notice**”). The Company shall forward a copy of the Vesting Notice to the Trustee and on the Vesting Date (or such other date as shall be determined by the Board), notify the Trustee the extent to which Award Shares held in the Trust shall be transferred and released from the Trust to the Grantee in the manner as determined by the Board, or be sold at such time after the Vesting Date (the “**Sale Date**”) and the payment of the Actual Selling Price in cash to the Grantee in satisfaction of the Award; and
 - (ii) subject to the receipt of the Vesting Notice and the notification from the Company, the Trustee shall transfer and release the relevant Award Shares to the relevant Grantee in the manner as determined by the Board or sell the relevant Award Shares and pay the Actual Selling Price in cash to the Grantee as soon as practicable.
- (c) Any stamp duty or other direct costs and expenses arising from vesting and transfer of the Award Shares to or for the benefit of the Grantees shall be borne by the Company, save that transaction fees and expenses payable by the Grantee as transferee shall be borne by the Grantee. Any stamp duty or other direct costs and expenses arising from the sale of the Award Shares for the purpose of vesting shall be borne by the Grantee.
- (d) All costs and expenses in relation to all dealings with the Award Shares after vesting and transfer of the Award Shares to the Grantee shall be borne by the Grantee and neither the Company nor the Trustee shall be liable for any such costs and expenses thereafter.
- (e) Other than the stamp duty to be borne by the Company in accordance with Clause 6.3(c) above, all other taxes impositions and charges (such as personal income taxes, social security contributions and other levies) in relation to the Award Shares or cash amount of equivalent value (the “**Taxes**”) shall be borne by the Grantee after the grant or vesting of the Award and neither the Company nor the Trustee shall be liable for any Taxes.
- (f) The Trustee shall not be obliged to transfer any Award Shares (or pay the Actual Selling Price of such Award Shares in cash) unless and until the Grantee has paid to the Trustee or the Company such sum as is sufficient to indemnify any such person in full against any costs, liabilities, taxes, social security contributions and other levies arising on vesting or has provided evidence satisfactory to the Trustee or the Company that such arrangements have been made as the Trustee or the Company may reasonably require to ensure that any costs, liabilities or taxes will be reimbursed by the Grantee to any such person who is liable to account.

6.4 Cessation as an Eligible Participant by reason of cessation of employment and other events

- (a) Notwithstanding the provision of Clause 6.3, and unless the Board determines otherwise at its absolute discretion, in the event that the Grantee ceases to be an Eligible Participant at any time prior to the Vesting Date (if any) by reason of:
 - (i) resignation of the Grantee’s employment with the Group, any outstanding Share Award not yet vested shall lapse automatically on the first day of the termination notice period, or the date when the resignation becomes effective,

whichever is earlier;

- (ii) termination of the Grantee's employment or early termination of the contractual engagement with the Group due to a Culpable Termination, any outstanding Award not yet vested shall lapse automatically on the first day of the termination notice period, or the date the Grantee ceases to be an employee or officer of the relevant member of the Group, whichever is earlier;
 - (iii) winding-up of any member of the Group in which the Grantee is employed or is contractually engaged, any outstanding Award not yet vested shall be deemed to have lapsed automatically on the date (a) the winding-up order is granted by the court (except voluntary winding-up) or (b) when the special resolution is passed such that the relevant member of the Group be wound up voluntarily;
 - (iv) death or Disability of the Grantee, any outstanding Award not yet vested shall lapse automatically on the date of the Grantee's death or on the date he or she suffered a Disability, as the case may be; or
 - (v) the occurrence of Bankruptcy of the Grantee, any outstanding Awards not yet vested shall lapse automatically on such occurrence.
- (b) In the event that an Award or any part thereof to a Grantee has vested but not transferred or otherwise dealt with in accordance with Clause 6.3(a) prior to the death of such Grantee, the Trustee shall hold such number of Shares as are equal to the vested Award Shares (subject to the Trustee being in possession of sufficient Shares in the fund of the Trust), or cash amount of the Actual Selling Price (hereinafter referred to as "**Benefits**") upon trust and to transfer the same to the legal personal representatives of the Grantee within twelve (12) months of the death of the Grantee (or such longer period as the Trustee and the Company shall agree from time to time) or, if the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held by the Trustee as Returned Shares or funds of the Trust for the purposes of this Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust until transfer is made in accordance herewith.
- (c) If a Grantee ceases to be an Eligible Participant for reasons or events other than provided under Clause 6.4(a), then, all outstanding Award not yet vested shall immediately lapse unless the Board determines otherwise at its absolute discretion.

6.5 Transferability and other rights to Award Shares

Any Award granted hereunder but not yet vested shall be personal to the Grantee to whom it is made and shall not be assignable or transferable 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 any Award, or enter into any agreement to do so. Any breach of this Clause 6.5 and any of the restriction on transfer and assignment of Award hereunder shall cause the relevant Award to lapse automatically.

A Grantee (or the Trustee) shall not be entitled to any dividends or distributions in respect of any Shares underlying the Awards granted until such Shares have been allotted and issued or transferred to the Grantee. Subject to the foregoing, the Shares to be allotted and issued or transferred upon the vesting of the Awards shall be subject to all the provisions of the Bye-Laws for the time being in force and shall rank *pari passu* in all respects with, and shall be

identical and have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of the Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued or transferred pursuant to the vesting of the Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued, or transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof precedes the date on which the Shares are allotted and issued or transferred.

6.6 Interest in the assets of the Trust

For the avoidance of doubt, unless otherwise instructed by the Company:

- (a) a Grantee shall only have a contingent right to receive either the Award Shares or the Actual Selling Price upon the vesting of such Award in accordance with Clauses 6.3, 6.4 and 7;
- (b) no instructions may be given by a Grantee to the Trustee in respect of the Award or any other property of the Trust, and the Trustee shall not follow instructions given by a Grantee to the Trustee in respect of the Award or any other property of the Trust;
- (c) the Trustee and the Grantee shall not exercise the voting rights in respect of any Shares and any other securities (if any) held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares, any scrip Shares and any non-cash and non-scrip distribution received in respect of that Award Share). The Trustee holding unvested shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require 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. For the avoidance of doubt, any Award shall not carry dividend rights until the registration of the Grantee as the holder of the Award Shares in the register of members of the Company;
- (d) a Grantee shall have no right to any of the Returned Shares which shall be retained by the Trustee for the benefit of this Scheme;
- (e) a Grantee shall have no rights in the balance of the fractional shares arising out of consolidation of Shares (if any) and such Shares shall be deemed as Returned Shares for the purposes of this Scheme;
- (f) a Grantee's interests in the Award Shares shall automatically lapse if he fails to provide the duly executed documents or fails to remit the acceptance money within the stipulated time in accordance with Clause 6.1(d);
- (g) in the event a Grantee ceases to be an Eligible Participant on or before the relevant Vesting Date and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to this Scheme, such Award shall not vest on the relevant Vesting Date and the Grantee shall have no claims against the Company or the Trustee; and
- (h) in the case of the death of a Grantee, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Grantee is made within the period prescribed in Clause 6.4(b) and the legal personal representatives of the Grantee shall have no claims against the Company or the Trustee.

6.7 Vesting period

Subject to the Listing Rules, the Board may from time to time while this Scheme is in force and subject to all Applicable Laws, determine such vesting criteria and conditions or periods for the Award to be vested hereunder. The vesting period in respect of an Award for new Shares held by the Eligible Participant must be at least 12 months, except for Employee Participants at the Board's sole and absolute discretion, a shorter vesting period may be granted to an Employee Participant in the following circumstances:

- (a) grants of "make-whole" share awards to new joiners to replace the share awards or share options they forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or Disability or event of force majeure;
- (c) grants with performance-based vesting conditions provided in this Scheme or as specified in the Award Letter in lieu of time-based vesting criteria; or
- (d) grants of Awards that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participants, which include Awards that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting period may be shortened to reflect the time from which the Awards would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Employee Participants in case of delays due to administrative or compliance requirements.

6.8 Clawback

- (a) Upon the occurrence of any of the following events (as solely determined by the Board) in relation to a Grantee, no further Awards shall be granted to such Grantee and the Awards already granted to such Grantee shall be clawed back and such Awards shall lapse accordingly on the date as determined by the Board (if such Awards are unvested):
 - (i) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or directorship with the relevant company on any one or more of the grounds of misconduct, bankruptcy, insolvency, composition with his/her creditors or conviction of any criminal offence involving his/her integrity or honesty or (in the case of the Grantee being an Eligible Participant by reason of his/her employment with the relevant company and if so determined by the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant company. A resolution of the Board or the board of directors of the relevant company stating whether the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 6.8(a)(i) shall be conclusive;
 - (ii) the Grantee has failed to discharge, or failed to discharge properly, his/her duties or fail to comply with the Company's internal policies, adhere to the terms of his/her employment agreement, or demonstrate a satisfactory level of performance and thereby resulting in serious loss in assets and other serious

and adverse consequences to any member of the Group ;

- (iii) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission of Hong Kong or has been convicted of any criminal offence;
 - (iv) Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee (if any) pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time);
 - (v) the granting of any Awards was based on material misstatements in financial statements or any other materially inaccurate performance metric criteria; or
 - (vi) the Awards to the Grantee will no longer be appropriate and aligned with the purpose of this Scheme.
- (b) Where an Award (or any part thereof) granted to a Grantee has already been vested at the time when such Award is clawed back pursuant to Clause 6.8(a) above, the Grantee shall return, by the Board's determination at its sole and absolute discretion, either (a) the exact number of vested and clawed back Share(s), (b) the monetary amount equivalent to the Value of the relevant Share(s) (i) on the Grant Date, or (ii) on the Vesting Date, or (iii) on the date of such clawback (as determined by the Board at its sole and absolute discretion which will be informed to the Grantee). The Board will take into account individual circumstances when devising any clawback mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.
- (c) Where an Award (or any part thereof) granted to a Grantee is unvested at the time when such Award is clawed back pursuant to Clause 6.8(a) above, such Award (or any part thereof) subject to clawback will lapse on the date as determined by the Board and the relevant Shares will not vest on the relevant Vesting Date and the relevant Shares will not be counted for the purpose of the Scheme Mandate Limit.
- (d) For the purpose of Clause 6.8(b), "**Value**" of the relevant Share(s) is the average closing price of the Share(s) as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the relevant date of determination (being the Grant Date, the Vesting Date or the date of clawback, as applicable).

6.9 Restriction on time of award

No Award shall be made to Selected Participants pursuant to Clause 6.1, and no Shares or payment shall be made to the Trustee pursuant to Clause 6.2 and no directions or recommendation to acquire Shares shall be given to the Trustee under this Scheme (collectively, the "**Restricted Actions**"):

- (a) where the Company is in possession of inside information (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time) until (and including) the trading day after such inside information has been announced by the Company pursuant to the relevant requirements of the Applicable Laws. In particular, no

Restricted Actions shall be taken during the period immediately preceding the earlier of:

- (i) 60 days preceding 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 annual results;
- (ii) 30 days preceding 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 half-year, quarterly, or other interim period results (whether or not required under the Listing Rules);
- (iii) 60 days preceding the deadline for the Company to publish an announcement of its annual results; and
- (iv) 30 days preceding the deadline for the Company to publish an announcement of its half-year, or other interim period results (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement; or

- (b) where dealings by the Selected Participants are prohibited under any code or requirement of the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers) or any other applicable laws or regulations from time to time.

6.10 Grant of Awards to a Director, Chief Executive or Substantial Shareholder of the Company, or any of their respective Associates

- (a) Any grant of Awards to a Director, Chief Executive or Substantial Shareholder of the Company, or any of their respective Associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Awards).
- (b) Without prejudice to other provisions in Clause 6:
 - (i) where any grant of Awards of new Shares to a Director (other than an independent non-executive Director) or Chief Executive of the Company, or any of their respective Associates would result in the number of new Shares issued and to be issued and treasury shares transferred or to be transferred in respect of all awards granted (regardless of under this Scheme or any Other Schemes but excluding any awards lapsed in accordance with the terms of the relevant schemes) 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) or such percentage as prescribed by the Listing Rules from time to time; or
 - (ii) where any grant of Awards of new Shares to a Substantial Shareholder of the Company or an independent non-executive Director or their respective Associates would result in the number of new Shares issued and to be issued and treasury shares transferred or to be transferred in respect of all Awards and all options and awards under any Other Schemes granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any 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) or such percentage as prescribed by the Listing Rules from time to time,

such further grant of Awards must be approved by the Shareholders. The Company must send a circular to the Shareholders containing such information as required under the Applicable Laws (including Rule 17.04 of the Listing Rules). The relevant Grantee, his/her Associates and all Core Connected Persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Awards must be taken on a poll in accordance with the Listing Rules.

- (c) The requirements for the grant to a Director or Chief Executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Selected Participant is only a proposed Director or Chief Executive of the Company.

6.11 Regulatory compliance

In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure regulations including without limitation those imposed by the Listing Rules from time to time.

7. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.

Unless otherwise instructed by the Company, this Clause 7 shall apply in the following events:

7.1 Change in control

(a) *by way of merger and privatisation*

If there is an event of change in control of the Company by way of merger or a privatisation of the Company by way of a scheme of arrangement, all the outstanding Award will immediately vest on the date when such merger or privatisation (as the case may be) becomes or is declared unconditional or at an earlier date as determined by the Board at its sole discretion, and such date shall be deemed the Vesting Date. Upon vesting, the procedures as set out in Clause 6.3(b) shall apply except that the Vesting Notice will be sent to such Grantee based on the proposed Vesting Date as soon as practicable once the proposed Vesting Date is known.

(b) *by way of offer*

If there is an event of change in control of the Company by way of offer, all the outstanding Award will immediately vest on the date when such offer becomes or is declared unconditional or at an earlier date as determined by the Board at its sole discretion, and such date shall be deemed the Vesting Date. Upon vesting, the procedures as set out in Clause 6.3(b) shall apply except that the Vesting Notice will be sent to such Grantee based on the proposed Vesting Date as soon as practicable once the proposed Vesting Date is known.

For the purpose of this Clause 7.1, “**control**” shall have the same meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs from time to time.

7.2 Open offer and rights issue

In the event the Company undertakes an open offer of new securities in respect of any Shares which are held by the Trustee under this Scheme, the Trustee shall not subscribe for any new

Shares. In the event of a rights issue, the Trustee shall sell the nil-paid rights allotted to it and unless otherwise instructed by the Company the Trustee shall hold the net proceeds of sale as funds of the Trust.

7.3 Bonus warrants

In the event the Company issues bonus warrants in respect of any Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, 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, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

7.4 Scrip Dividend

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the cash component, unless otherwise instructed by the Company, which shall be held as funds of the Trust.

7.5 Reorganisation of capital structure and distribution of the Company's assets

- (a) In the event of any alteration in the capital structure of the Company whilst any Award remains unvested, and such event arises from a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares, or a 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), the Board shall determine and make alterations to the number of Shares to be granted subject to the Award so far as unvested.
- (b) No purchase price is payable by a Selected Participants upon acceptance or vesting of Award Shares made under this Scheme. Henceforth, no adjustment will be made to the purchase price of the Award Shares.
- (c) All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date. The Trustee shall hold the Returned Shares to be applied in accordance with the provisions of the rules of this Scheme. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment.

The adjustments to be made in respect of each adjustment event in principle are set out as follows:

1. Capitalisation issue, rights issue and bonus issue

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the Awards so far as unvested after adjustment

Q₀ = number of Shares subject to the Awards so far as unvested before adjustment

$$F = \frac{\text{CUM}}{\text{TEEP}}$$

CUM = closing price of the Share as shown in the Stock Exchange's daily quotations sheet on the last day of trading before going ex-entitlement

$$\text{TEEP (Theoretical Ex Entitlement Price)} = \frac{\text{CUM} + (\text{M} \times \text{R})}{(1 + \text{M})}$$

M = entitlement per existing Share

R = subscription price

II. Consolidation or subdivision of Shares

$$Q = Q_0 \times F$$

Where

Q = number of Shares subject to the Awards so far as unvested after adjustment

Q₀ = number of Shares subject to the Awards so far as unvested before adjustment

F = consolidation or subdivision factor

- (d) Any such alteration (other than any capitalisation issue) shall be subject to a written confirmation from an independent financial adviser or the Company's auditors to the Directors, either generally or as regard any particular Selected Participant, to have given the Selected Participants the same proportion (or rights in respect of the same proportion) of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, provided that no such adjustments shall be made to the extent that Shares would be issued at less than its nominal value. The capacity of the independent financial adviser or the Company's auditors (as the case may be) in this clause is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Selected Participant.
- (e) If the Company conducts a consolidation or subdivision of the Shares after the date of approval of this Scheme, the maximum number of Shares that may be issued upon exercise of all Awards to be granted under this Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit and the Service Provider Sublimit 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.
- (f) If the Company conducts a consolidation or subdivision of the Shares after the date of approval of the renewal of the Scheme Mandate Limit and the Service Provider Sublimit by the Shareholders at general meeting, the maximum number of Shares that may be issued upon exercise of all Award to be granted under this Scheme and all share options and share awards to be granted under any Other Schemes under the Refreshed Scheme Mandate Limit and the Refreshed Service Provider Sublimit 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.

8. SCHEME MANDATE LIMIT

8.1 Scheme Mandate Limit

- (a) Subject to Clause 8.3, the maximum number of new shares which may be allotted and issued in respect of all Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) to be granted under this Scheme and all options and awards to be granted under any Other Schemes shall not, in aggregate, exceed 10% of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”) or the date of approval of the Refreshed Scheme Mandate Limit, whichever is the latest. Options or awards lapsed in accordance with the terms of this Scheme or the Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) Subject to Clause 8.1(a) above and Clause 8.3, within the Scheme Mandate Limit, the maximum number of new Shares which may be allotted and issued in respect of all Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) that may be granted under this Scheme and all share options and share awards which may be granted under any Other Schemes for the time being of the Company to the Service Providers shall not, in aggregate, exceed 1% of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”) or the date of approval of the Refreshed Service Provider Sublimit, whichever is the latest. Share options or awards lapsed in accordance with the terms of this Scheme or the Other Schemes will not be counted for the purpose of calculating the Service Provider Sublimit.

8.2 Limit for each Grantee

The maximum number of new Shares granted or to be granted to each Eligible Participant under this Scheme and all share options and share awards granted under any Other Schemes to such Eligible Participant (excluding any options or awards lapsed in accordance with the terms of this Scheme or any Other Schemes) in any 12-month period up to and including the date of such grant shall not exceed 1% in aggregate of the Shares in issue (excluding any treasury shares) as at the date of such grant. Any grant of further Award above this limit shall be subject to the following requirements:

- (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her Close Associates (or his/her Associates if the Grantee is a Connected Person) shall abstain from voting;
- (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- (c) the number and terms of such Award Share are fixed before the general meeting of the Company at which the same are approved.

8.3 Refreshment of the Scheme Mandate Limit

- (a) The Company may seek approval by the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit and the Service Provider Sublimit after three (3) years from the date of Shareholders’ approval for the last refreshment (or the Adoption Date). Any “refreshment” within any three (3) year period must be approved by the Shareholders subject to the following provisions:

- (i) any Controlling Shareholders and their Associates (or if there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the Chief Executive of the Company and their respective Associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-clauses (i) and (ii) of this Clause 8.3(a) do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

- (b) Subject to Clause 8.3(c), the total number of new Shares which may be issued in respect of all Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) to be granted under this Scheme and all options and awards to be granted under any Other Schemes under the Scheme Mandate Limit and the service Provider Sublimit as “refreshed” must not, in aggregate, exceed 10% and 1% of the total number of Shares in issue (excluding any treasury shares) as at the date of approval of the refreshed Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”) and the refreshed Service Provider Sublimit (the “**Refreshed Service Provider Sublimit**”), respectively. Upon such renewal, all Awards granted under this Scheme and all options and awards granted under any Other Schemes (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of this Scheme or Other Schemes) prior to the approval of such renewal shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit or the Refreshed Service Provider Sublimit. A circular must be sent to the Shareholders containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.
- (c) The Company may seek separate approval by the Shareholders at general meeting to grant Awards beyond the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit or the Service Provider Sublimit or the Refreshed Service Provider Sublimit provided that the Awards in excess of the Scheme Mandate Limit or the Refreshed Scheme Mandate Limit or the Service Provider Sublimit or the Refreshed Service Provider Sublimit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.

9. RETURNED SHARES

- 9.1 The Trustee shall hold Returned Shares to be applied in accordance with the provisions hereof for the purpose of this Scheme. Unless instructed by the Board, when Returned Shares have been awarded, the Trustee shall notify the Company accordingly.
- 9.2 The Board may also instruct the Trustee to sell the Returned Shares referred to in Clause 9.1 and remit all cash and net proceeds of such sale and the corresponding funds (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future

liabilities in accordance with the Trust Deed) to the Company.

10. DISPUTES

Any dispute arising in connection with this Scheme shall be referred to the decision of the Board. The decision of the Board on the interpretation of these rules or as to whether any circumstances exist which may affect the treatment of any Award Shares or any Grantee under these rules or in any dispute relating to any Award Shares or matter relating to this Scheme will be final and binding on all persons affected thereby (in the absence of manifest error).

11. ALTERATION OF THIS SCHEME

11.1 Except for the provisions the amendment of which requires Shareholders' approval pursuant to the Listing Rules, this 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:

- (a) where the consent in writing of the Grantees is obtained amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or
- (b) with the sanction of a resolution at a meeting of the Grantees passed by not less than three-fourths of the votes cast by the Grantees entitled to vote at the meeting.

11.2 For the avoidance of doubt, the change in the subsisting rights of a Grantee set out in Clause 11.1 refers to any change in the rights in respect of the Award Shares already granted to a Grantee.

11.3 For any such meeting of Grantees referred to in Clause 11.1, all the provisions of the Bye-Laws as to general meetings of the Company shall apply mutatis mutandis as though the Shares then held by the Trustee on behalf of Grantees were a separate class of shares forming part of the share capital of the Company except that:

- (a) not less than seven (7) days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two Grantees present in person or by proxy;
- (c) all resolutions at any of such meeting shall be voted by poll and every Grantee present in person or by proxy shall be entitled to one vote for each Award Share awarded to him and held by the Trustee (but, for the avoidance of doubt, excluding for this purpose any Returned Shares); and
- (d) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting, those Grantees who are then present in person or by proxy shall form a quorum provided that Clause 11.3(b) shall be complied with in the event of any such adjournment, and at least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum provided that Clause 11.3(b) shall be complied with in the event of any such adjournment.

11.4 Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants must be

approved by the Shareholders at general meeting.

- 11.5 In respect of any proposed amendment in relation to the terms of Awards granted to a Selected Participant, it must be approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee of the Board, the independent non-executive Directors, and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.
- 11.6 The amended terms of this Scheme or the Award Shares must comply with all applicable laws, rules and regulations (including without limitation Chapter 17 of the Listing Rules).

12. TERMINATION

- 12.1 Save as upon the expiry of the term of this Scheme, the Company may by resolution at general meeting terminate the operation of this Scheme at any time under the circumstances where the Shareholders determine appropriate, such as but not limited to where the Shareholders are of the view that this Scheme can no longer serve its designated purposes or when a new share award scheme is proposed to be adopted to replace this Scheme. In such event, no further Awards may be offered or granted under this Scheme but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awards granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of this Scheme.
- 12.2 On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under this Scheme (whichever is later), the Trustee shall, unless otherwise instructed by the Company, sell all the Shares and other non-cash and non-scrip distributions remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company of receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Clause 12.2 and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares and other non-cash and non-scrip distributions to the Company nor may the Company otherwise hold any Shares and any other non-cash and non-scrip distributions whatsoever (other than the proceeds in the sale of such Shares and distributions pursuant to this Clause 12.2).
- 12.3 For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of this Scheme.

13. CANCELLATION

- 13.1 The Board in its sole discretion may cancel an Award Share granted but remained unvested with the approval of the Grantee of such Award Share in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.
- 13.2 For the avoidance of doubt, where the Company cancels Awards granted to a Grantee and makes a new grant to the same Grantee, new Awards may be issued to a Grantee in place of his/her cancelled Awards only if there is available Scheme Mandate Limit or Refreshed Scheme Mandate Limit (or, where the Grantee is a Service Provider, the Service Provider

Sublimit or the Refreshed Service Provider Sublimit). The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be).

14. MISCELLANEOUS

- 14.1 This Scheme is discretionary and shall not form part of any contract (whether a contract of employment or office or otherwise) between any member of the Group and any Eligible Participant, and the rights and obligations of any 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/she may have to participate in it and this Scheme shall not confer on the Eligible Participant any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 14.2 The Company shall bear the costs of establishing and administering this Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Clause 14.5 and expenses incurred in the purchase of Shares by the Trustee. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting or transfer of Shares (or cash amount of equivalent value being paid).
- 14.3 The following tax and withholding requirements apply:
- (a) A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his/her participation in this Scheme. By acceptance of an Award by an Eligible Participant, each such Eligible Participant acknowledges and agrees that each such Eligible Participant is solely responsible for any and all tax or other liability to which an Eligible Participant may become subject as a result of his/her participation in this Scheme.
 - (b) The obligations of the Company and the Trustee under this Scheme and the Trust shall be subject to all applicable tax and other withholding requirements, and the Company and/or the Trustee shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Grantee.
 - (c) The Grantee shall indemnify and keep the Company, any member of the Group and the Trustee indemnified in respect of any such liability, obligation or loss. Any claim in respect of such indemnity may be satisfied by set-off against any sums due from the Company, any member of the Group, and/or the Trustee to such Grantee from time to time.
- 14.4 An Eligible Participant or a Grantee shall obtain the governmental or other official consent, approval, filing or registrations that may be required by any country or jurisdiction in order to permit the grant, acceptance of the Award according to the procedures required by the relevant laws and regulations. Except as prescribed by the relevant laws and regulations, the Company shall not be responsible for any failure by an Eligible Participant or a Grantee to obtain any such consent or approval required for such Eligible Participant or Grantee to participate in this Scheme as a Selected Participant or for any tax, expenses, fees, costs or other liability to which an Eligible Participant or a Grantee may become subject as a result of obtaining such consent or his/her participation in this Scheme.
- 14.5 Any notice or other communication between the Company and any Eligible Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the

Company, its registered office in Hong Kong or such other address as notified to the Eligible Participant from time to time and in the case of an Eligible Participant, his/her address as notified to the Company from time to time or by hand delivery. Any notice (including the Vesting Notice) or other communication from the Company to any Eligible Participant or Selected Participants or Grantees may be given by any electronic means through the Trustee, as the Board considers appropriate.

- 14.6 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day on which it was sent.
- 14.7 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such and in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these rules of this Scheme, and any such deletion shall not affect the enforceability of the rules of this Scheme as remain not so deleted.
- 14.8 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Award Shares) against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group.
- 14.9 In the event that an Award lapses in accordance with the rules of this Scheme and/or the Trust Deed, no Selected Participants or Grantees shall be entitled to any compensation for any loss or any right or benefit, or prospective right or benefit, under this Scheme which he or she might otherwise have enjoyed.
- 14.10 In the case where the Shares underlying an Award which are not to be satisfied by way of issue and allotment of new Shares by the Company, to the extent permissible under Chapter 17 of the Listing Rules and other applicable laws and regulations, the Board may decide to waive, modify and/or vary the application of any terms or provisions of the Rules to the Award and/or the Selected Participants as the Board may at its discretion consider appropriate.

15. GOVERNING LAW

- 15.1 This Scheme shall operate subject to the Bye-Laws and to any restrictions under any applicable laws, rules and regulations.
- 15.2 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

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