

SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

EMPLOYEE STOCK OWNERSHIP PLAN

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1. **DEFINITIONS**

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

“Actual Sale Proceeds”	means the proceeds from the sale of the Award Shares net of stamp duty, brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable levies and costs;
“Adoption Date”	means [*] , being the date of fulfillment of the conditions contained in paragraph 2;
“Allotment Date”	has the meaning as defined in paragraph 6.7;
“Articles”	means the articles of association of the Company as amended, supplemented or modified from time to time;
“associate”	has the meaning as defined in the Listing Rules;
“Auditors”	means the auditors of the Company for the time being;
“Award Shares”	means new Shares underlying a Share Award, including treasury shares of the Company that are transferred out of treasury by the Company;
“Board”	means the board of directors of the Company for the time being or a duly authorised committee thereof;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“Chairman”	means Mr. Sun Hongbin, as the chairman of the Company;
“close associate”	has the meaning as defined in the Listing Rules;
“Company”	means Sunac China Holdings Limited 融創中國控股有限公司, a company incorporated in the Cayman Islands with limited liability;
“connected person”	has the meaning as defined in the Listing Rules;
“core connected person”	has the meaning as defined in the Listing Rules;
“Directors”	means the directors of the Company for the time being;
“Eligible Participant”	means an Employee Participant or a Related Entity Participant, in each case, excluding the Chairman;
“Employee Participants”	means the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Share Awards under this Plan as inducement to enter into

17.03(2)
17.03A(1)

employment contracts with any member of the Group) and “Employee Participant” means any one of them;

“Exercise Period”	means, in respect of any Share Award, the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth (10 th) anniversary of the Offer Date with respect of the relevant Share Award;	17.03(5)
“Exercised Award Shares”	means such number of Award Shares that have been exercised or deemed exercised by a Grantee;	
“Grantee”	means any Eligible Participant who accepts the Offer in accordance with the terms of this Plan, his permitted transferee or (where the context so permits and as referred in paragraph 6.6(1)) his Personal Representative;	
“Group”	means, collectively, the Company and its subsidiaries from time to time;	
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong for the time being;	
“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 may be amended, supplemented or otherwise modified from time to time;	
“month”	means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that: (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.	
“Minimum Period”	means, with respect to a Share Award, the period commences on the Offer Date and ending on the day immediately prior to the expiry of the twelve (12)-month period thereof;	17.03F

“New MCBs”	has the meaning given to it in the RSA;	
“Offer”	means an offer to an Eligible Participant for the grant of a Share Award (as may be amended and/or supplemented by the Board from time to time in its absolute discretion);	
“Offer Date”	means the date on which an Offer is made to an Eligible Participant;	
“Offer Letter”	has the meaning as defined in paragraph 4.3;	
“Personal Representative”	means, with respect to an Eligible Participant or a Grantee, the person who has the authority to deal with the relevant Eligible Participant’s or Grantee’s estate in accordance with the laws of succession applicable in respect of the death of the relevant Eligible Participant or Grantee;	17.03(2)
this “Plan”	means this employee stock ownership plan which terms may be amended, supplemented or otherwise modified from time to time and which plan mandate limit may be refreshed and/or increased from time to time subject to the requirement of the Listing Rules;	
“Plan Mandate Limit”	has the meaning as defined in paragraph 10.1(1);	
“Purchase Price”	means, with respect to a particular Share Award, the price per Share at which the relevant Grantee is required to pay to purchase or receive the Shares comprising the Share Award, which shall be nil;	
“Related Entity(ies)”	means any associated company(ies) of the Company;	17.03(2)
“Related Entity Participants”	means the directors and employees (whether full-time, part-time or other employment arrangement) of any Related Entity; and “Related Entity Participant” means any one of them;	
“Remuneration Committee”	means the remuneration committee of the Company;	
“Restructuring Effective Date”	means the date on which the offshore debt restructuring of the Company (details of which are set out in the term sheet appended to the restructuring support agreement entered into by the Company and the initial consenting creditors named therein dated 17 April 2025, as may be amended and/or supplemented from time to time) takes effect;	
“Returned Shares”	means unvested Award Shares held by a Trustee in respect of Share Awards which have lapsed or have been cancelled in accordance with the terms of this Plan;	

“RSA”	means the Restructuring Support Agreement dated 17 April 2025, entered into by the Company, certain initial consenting creditors and the Sodali & Co Ltd as the information agent (as may be amended and/or supplemented in accordance with its terms from time to time);
“SFC”	means the Securities and Futures Commission of Hong Kong;
“Shareholders”	means holders of the Shares in issue from time to time;
“Share Award”	means an award which vests as a right to purchase or receive Award Shares pursuant to this Plan;
“Share Registrar”	means the branch share registrar and transfer office of the Company in Hong Kong for the time being;
“Shares”	means ordinary shares in the 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 equity 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”	has the meaning as defined in the Listing Rules;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers and Share Buy-backs as may be amended, supplemented or otherwise modified from time to time;
“Termination Date”	means 5:00 p.m. (Hong Kong time) on the date which falls on the date immediately prior to the tenth (10 th) anniversary of the Adoption Date, or such earlier date as this Plan is terminated in accordance with paragraph 16;
“Total Plan Cap”	7% of the total shareholding interest in the Company on a fully diluted basis, assuming conversion of all New MCBs and after the issuance (including any transfer of treasury shares of the Company), vesting and exercise of all Share Awards which may be granted at any time under this Plan, which amounts to 1,861,317,829 Shares (assuming no adjustment to the conversion price of the New MCBs and no further issuance of New MCBs, each in accordance with the terms and conditions of the New MCBs);

“treasury shares”	has the meaning as defined in the Listing Rules;
“Trust(s)”	has the meaning as defined in paragraph 3.4;
“Trustee(s)”	means the trustee(s) of the Trust(s) from time to time;
“%”	means per cent.

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

- (1) paragraph headings are for ease of reference only and shall be ignored in construing this Plan;
- (2) references to paragraph or paragraphs are references to paragraph or paragraphs of this Plan;
- (3) words importing the singular include the plural and vice versa;
- (4) words importing one gender include both genders and the neuter and vice versa;
- (5) references to persons include bodies corporate and unincorporated;
- (6) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (7) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same.

2. **CONDITIONS**

The adoption of this Plan is conditional upon (1) the passing of an ordinary resolution to approve and adopt this Plan by the Shareholders in a general meeting of the Company and (2) the occurrence of the Restructuring Effective Date. 17.02(1)(a)

3. **PURPOSE, DURATION AND ADMINISTRATION**

- 3.1 The purpose of this Plan is to incentivize Eligible Participants to continue to contribute to the Group in the future by providing them with long-term supplementary form of remuneration, in order to promote the continuous operations of the Group and the long-term business recovery and growth of the Group. This Plan will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and stabilize the workforce and attract and retain the Eligible Participants whose contributions are important to the long-term business recovery and growth of the Group. 17.03(1)
- 3.2 This Plan shall be subject to the administration of the Board whose decision on all matters arising in relation to this Plan or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding. The

- Board shall exercise its administrative power in accordance with the Listing Rules requirement. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of this Plan, the Board shall have the right to (1) interpret and construe the provisions of this Plan; (2) determine the persons who will be offered Share Awards under this Plan and the number of Shares in relation to such Share Awards; (3) make such appropriate and equitable adjustments to the terms of Share Awards granted under this Plan as it may deem necessary; and (4) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of this Plan.
- 3.3 Subject to compliance with the Listing Rules, the authority to administer this Plan may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board.
- 3.4 The Company may establish one or more trusts (“**Trust(s)**”) and appoint one or more Trustee(s) for the purposes of: (i) holding Award Shares upon Trust(s) which are reserved for specified Eligible Participants; (ii) subscribing for new Shares to be allotted and issued by the Company, holding treasury shares that are transferred out of treasury by the Company, and/or holding Returned Shares, in each case to serve as a pool of Shares upon Trust(s) which may be used to grant and/or satisfy Share Awards; (iii) settling Share Awards under paragraph 6.3(2); and (iv) taking other actions for the purposes of administering and implementing this Plan. The Trustee(s) shall be instructed by the Company. No Director will act as trustee(s) or have any direct or indirect interest in any trustee(s) of the Trust(s).
- 3.5 The Company shall not give instruction to any Trustee to subscribe for any Shares for the purpose of this Plan under any of the following circumstances: (i) if the subscription will result in the Company failing to comply with the public float requirement with respect to the Shares as applicable under the Listing Rules from time to time; or (ii) after inside information (having the meaning as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to its knowledge until (and including) the Business Day after such inside information has been announced by the Company pursuant to the requirements of the Listing Rules; or (iii) at a time when any Director would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules).
- 3.6 In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in this Plan include but not limited to: (1) the performance; (2) the skill, knowledge, experience, expertise and other personal qualities; (3) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (4) the contribution or potential contribution to the development and growth of the Group; and (5) the length of employment with the Group. 17.03(2)
17.03A(1)
- 3.7 In determining the basis of eligibility for Related Entity Participants, the Board would take into account, among others: 17.03(2)
17.03A(1)
- (a) the Related Entity Participant’s contribution or potential contribution to the Group’s development and growth;
- (b) the nature and importance of the business relationship between the associated company

and the Group, and the Related Entity Participant's contribution to the associated company, and the potential synergies that may be generated on the Group's core business;

(c) the Related Entity Participant's positive impact or expected positive impact on the Group's business development;

(d) the Related Entity Participant's actual level of involvement in the Group or in its cooperation with the Group, and the duration of the Related Entity Participant's cooperative relationship with the Group.

3.8 Subject to paragraph 2 and paragraph 16, this Plan shall be valid and effective for the period commencing on the Adoption Date and expiring on the Termination Date, after which period no further Awards will be granted but the provisions of this Plan shall remain in force to the extent necessary to give effect to the exercise of any Awards granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of this Plan. 17.03(2)
17.03A(1)

3.9 A Grantee shall ensure that any acceptance of an Offer and/or any exercise of his Award is valid and complies with all laws, legislations and regulations to which the person is subject. The Board may, as a condition precedent of issuing or delivering any Shares or transferring any proceeds generated from the sale or disposition of any Shares upon an exercise of a Share Award, require the relevant Grantee to produce such evidence as it may reasonably require for such purpose.

3.10 The Board may, in its absolute discretion, specify any condition in the Offer which must be satisfied before a Share Award may be exercised or deemed exercised. Save as determined by the Board and provided in the Offer, there is no performance target which must be achieved before a Share Award can be exercised or deemed exercised under the terms of this Plan or any clawback mechanism for the Company to recover or withhold any Share Award granted to a Grantee. 17.03(7)
17.03(19)

4. OFFER AND ACCEPTANCE

4.1 Subject to and in accordance with the provisions of this Plan and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

4.2 No Offer shall be made by the Board:

(1) after inside information (having the meaning as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to its knowledge until (and including) the Business Day after such inside information has been announced by the Company pursuant to the requirements of the Listing Rules;

17.05

- (2) during the period commencing from thirty (30) days immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish 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 (or during any period of delay in publishing the results announcement); and
- (3) at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules).

4.3 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the terms of the Share Award which may include number of Award Shares, the Purchase Price (which shall be nil), the vesting criteria and conditions, the Exercise Period, and if any, minimum performance targets that must be achieved and, if applicable, the clawback mechanism for the Company to recover or withhold any Share Awards granted to any Eligible Participants, and any such other details as the Board may consider necessary (as may be amended and/or supplemented by the Board in its absolute discretion, an “**Offer Letter**”), and requiring the Grantee to undertake to hold the Share Award on the terms of the Offer Letter and be bound by the provisions of this Plan. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's Personal Representative) for a period of twenty-one (21) days from the Offer Date. For the avoidance of doubt, the Board may at its discretion specify any terms or conditions in the Offer Letter at the grant of the relevant Share Award, including conditions and/or performance target(s) that must be achieved before any of the Share Awards can be exercised or deemed exercised, as well as the clawback mechanism for the Company to recover or withhold any Share Awards granted to any Eligible Participants. Subject to paragraph 10.4, such terms or conditions of the Offer Letter specified and approved by the Board at the grant may be subsequently amended and/or supplemented by the Board in its absolute discretion.

4.4 An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of RMB1.00 or such other amount (if any) that may be determined by the Board as consideration for the grant thereof, is received by the Company. 17.03(8)

4.5 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by

the Eligible Participant, and such letter, together with a payment (if any) in favour of the Company as consideration for the grant thereof, is received by the Company.

- 4.6 To the extent that the Offer is not accepted within the stated period in paragraph 4.3, it will be deemed to have been irrevocably declined and the relevant Offer which is not accepted or deemed to be accepted shall lapse. 17.03(12)
- 4.7 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.4 or paragraph 4.5 (as the case may be), a Share Award in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date.

5. PURCHASE PRICE

- 5.1 The Purchase Price shall be nil. The Company will disclose the Purchase Price for Share Awards in the announcement on grant of the relevant Share Awards and in its annual and interim reports to the extent required under Chapter 17 of the Listing Rules. 17.03(9)

6. EXERCISE AND SETTLEMENT OF SHARE AWARDS

- 6.1 Subject to paragraph 6.2, a Share Award shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Share Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Award or any part thereof granted to such Grantee to the extent not already vested. For this purpose, a determination by the Board to the effect that a breach of this paragraph 6.1 has occurred shall be final and conclusive. 17.03(17)
- 6.2 Subject to obtaining an appropriate waiver from the Stock Exchange, a Share Award may be transferred to a vehicle (such as trust or private company) for the benefit of the Grantee and/or any family members of such Grantee that would continue to meet the purpose of this Plan and comply with the requirements of the Listing Rules.
- 6.3 (1) Subject to the terms of this Plan and the fulfillment of all terms and conditions as set out in the Offer, including the attainment of any performance targets stated therein (if any), a Share Award shall be exercisable and shall be deemed exercised to the maximum extent permitted under the terms and conditions as set out in the Offer and in the circumstances and in the manner as set out in this paragraph 6.3 or paragraph 6.6 (as the case may be) by the Grantee (or, as the case may be, the Grantee's Personal Representative) unless the Grantee gives notice in writing to the Company stating otherwise, in which case, the Grantee shall state in the notice the number of Award Shares in respect of which it is exercised.
- (2) The Company shall, at its discretion, arrange for the Exercised Award Shares to be satisfied in the following methods:

- (i) allot and issue (or transfer from the treasury shares) the relevant number of Shares to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such other person as the Grantee may designate and notify to the Company or the Trustee (as applicable) in writing not less than 7 Business Days in advance) credited as fully paid and instruct the Share Registrar to issue to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such designee, as applicable) a share certificate for the Shares so allotted and issued, and if applicable, subject to the Grantee having provided or procured to be provided to the Company and/or the Share Registrar the relevant documents as may be required by the Company and/or the Share Registrar, use its best commercial efforts to arrange for the Shares to be deposited into the Central Clearing and Settlement System of Hong Kong;
- (ii) arrange for the Exercised Award Shares to be transferred from the Trustee (or its designated person) to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such other person as the Grantee may designate and notify to the Company or the Trustee (as applicable) in writing not less than 7 Business Days in advance) credited as fully paid and issue to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative or such designee, as applicable) a share certificate in respect of the Shares so transferred;
- (iii) pay to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such other person as the Grantee may designate and notify to the Company or the Trustee (as applicable) in writing not less than 7 Business Days in advance) by remittance to the bank account designated and provided by or on behalf of the Grantee (or the Grantee's Personal Representative), the Actual Sale Proceeds from on-market sale of the Exercised Award Shares through the facilities of the Stock Exchange at prevailing market prices; and/or
- (iv) arrange for Exercised Award Shares to be issued or designated as vested shares held for the economic benefit of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such other person as the Grantee may designate and notify to the Company or the Trustee (as applicable) in writing not less than 7 Business Days in advance), following which, the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such designee, as applicable) shall be entitled to future dividends paid or payable on the Exercised Award Shares and the Grantee (or the Grantee's Personal Representative or such designee, as applicable) will have a one-time option to request the Company to cause payment to or to the order of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative or such designee, as applicable) by remittance to the bank account designated and provided by or on behalf of the Grantee, the Actual Sale Proceeds from on-market sale of the Exercised Award Shares through the facilities of the Stock Exchange at prevailing market prices.

- 6.4 Save for the circumstances prescribed in paragraphs 6.5 and 6.6(6), a Share Award must be held by the Grantee for a period that is not shorter than the Minimum Period before the Share Award can be exercised or deemed exercised.
- 6.5 For the grant of Share Awards to Employee Participants, the Board may at its absolute discretion determine a vesting period shorter than the Minimum Period in the following specific circumstances:
- (a) grants of “make-whole” Share Awards to new joiners to replace the award shares they forfeited when leaving the previous employers;
 - (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (c) grants that are made in batches during a year for administrative and compliance reasons (such as to save administrative time and compliance costs, to coincide with the regular or scheduled meetings of the Board and/or the Remuneration Committee, etc.), which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
 - (d) grants of Share Awards with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of twelve (12) months; or
 - (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.
- 6.6 Subject as hereinafter provided, a Share Award may be exercisable by the Grantee at any time during the Exercise Period provided that: 17.03(12)

Death

- (1) in the event that the Grantee ceases to be an Eligible Participant by reason of the person’s death before the Share Award is vested in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person’s employment or directorship under paragraph 6.6(3) arises, or if the Grantee is a Related Entity Participant, provided that none of the events which would be a ground for termination of the person’s employment or directorship under paragraph 6.6(4) arises), any outstanding Share Awards not yet vested shall immediately lapse, and the Company shall negotiate with the administrator of the Grantee’s estate within two years after the Grantee’s death on the alternative compensation for the Grantee’s estate for the relevant Share Awards that have lapsed in accordance with this paragraph. Any such alternative compensation shall be determined by the Company at its sole and absolute discretion, which shall be final and binding.

Notwithstanding the foregoing paragraph, if the Company determines at its sole and absolute discretion that the Share Awards will continue to be vested in the Grantee’s estate, the Company shall deliver (i) such number of Award Shares or (ii) such amount which is equal to the Actual Sale Proceeds (hereinafter referred to as “**Benefits**”) of such Share Awards at its discretion to the Grantee’s estate within two (2) years following the date of death, or such other period as the Board may

determine, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall lapse;

Injury, disability, ill-health, retirement or termination of the Grantee's employment

- (2) in the event that the Grantee ceases to be an Eligible Participant by reason of (i) injury, disability or ill-health inflicted upon the Grantee in the course of his performance of duty as employee or director of any member of the Group or any Related Entity (evidenced to the satisfaction of the Board), or (ii) the Grantee's retirement as an employee of the Group or any Related Entity in accordance with the Grantee's contract of employment (evidenced to the satisfaction of the Board), in each case provided that if the Grantee is an Employee Participant, none of the events which would be a ground for termination of the Grantee's employment or directorship under paragraph 6.6(3) arises, or if the Grantee is a Related Entity Participant, provided that none of the events which would be a ground for termination of the person's employment or directorship under paragraph 6.6(4) arises, the Share Award shall vest and become exercisable in whole or in part in accordance with the provisions of paragraph 6.3 within twelve (12) months following the date of such injury, disability, ill-health or retirement or such longer period as the Board may determine, after which any such Share Awards (to the extent not vested during such period) shall lapse.

In the event that the Grantee ceases to be an Eligible Participant by reason of the termination of the Grantee's employment or directorship with the Group or any Related Entity, on grounds other than those set out in paragraph 6.6(1) or the immediately preceding paragraph in this 6.6(2), any Share Award not yet vested shall immediately lapse, unless the Board determines otherwise at its discretion;

Termination of employment for misconduct, bankruptcy, etc

- (3) in the event that the Grantee who is an Employee Participant ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:
- (a) that the Grantee has committed any serious misconduct;
 - (b) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group (if so determined by the Board);
 - (c) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally;
 - (d) that there has been a breach of contract entered into between the Grantee and any member of the Group; or
 - (e) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with any member of the Group,

the Grantee's Share Award (to the extent not yet vested) shall immediately lapse unless the Board determines otherwise at its discretion;

Related Entity Participants

- (4) in the event that the Grantee who is a Related Entity Participant ceases to be an Eligible Participant by reason of any one or more of the following grounds:
- (a) that the Grantee has committed any serious misconduct,
 - (b) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group (if so determined by the Board),
 - (c) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally;
 - (d) that there has been a breach of contract entered into between the Grantee and any member of the Group;
 - (e) on any other ground as determined by the Board that would warrant the termination of the Grantee's engagement or appointment in the sole and absolute opinion of the Board;
 - (f) the entity of which the relevant Grantee is a director or employee (whether full-time, part-time or other employment arrangement) ceases to be a Related Entity; or
 - (g) that the Board, in its sole and absolute opinion, believes that the Grantee is no longer contributing to the development or success of the Group, or has become a competitor of any member of the Group;

the Share Award (to the extent not yet vested) shall immediately lapse unless the Board determines otherwise at its discretion;

Other reasons

- (5) in the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in paragraph 6.6(1) to paragraph 6.6(4), the Grantee's Share Award (to the extent not yet vested) shall immediately lapse provided that in each case, the Board may, in its absolute discretion, decide that such Share Award or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Share Award will be subject to;

Corporate transactions

- (6) If there is an event of change in control (as such term is defined in the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time)

of the Company as the result of a merger, scheme of arrangement or general offer, or Mr. Sun Hongbin ceases to be the single largest shareholder of the Company, or in the event of a dissolution or liquidation of the Company, the Board shall at its sole discretion determine whether the vesting dates of any Share Awards to Eligible Participants will be accelerated and/or determine such conditions or limitations to which the vesting of such Share Award will be subject.

- 6.7 Share Awards do not carry any right to vote at any general meeting of the Company, nor any right to dividends, transfer or other rights, including those arising on the liquidation of the Company. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of a Share Award unless and until the Shares underlying a Share Award are issued and delivered to the Grantee pursuant to the vesting and exercise of such Share Award. Shares allotted and issued upon the exercise of a Share Award will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares (the “**Allotment Date**”) other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. The Shares allotted and issued upon the exercise of a Share Award shall not carry any right of a Shareholder (including voting rights) until registration of the Grantee as the holder thereof on the register of members of the Company. 17.03(10)
17.03(15)
17.03(17)
- 6.8 Notwithstanding anything to the contrary in this Plan, no Grantee shall be permitted to sell or transfer any of the Award Shares or the Share Awards (whether before or after vesting) during the period from the Restructuring Effective Date to the date falling 18 months after the Restructuring Effective Date (the “**Selling Restriction**”), and such restriction shall be set out in the Offer Letter of the relevant Grantees.
- 6.9 The Share Awards shall be vested subject to the vesting conditions and in accordance with the vesting schedule set out in the Offer Letter of the relevant Grantees. The last batch of Share Awards granted under this Plan shall not become fully vested before the eighth anniversary of the Restructuring Effective Date. In other words, the last batch of Share Awards granted under this Plan shall only become fully vested on a date not earlier than the eighth anniversary of the Restructuring Effective Date.

7. PERFORMANCE TARGET(S)

- 7.1 The Board may at its discretion determine and provide in the Offer Letter at the grant of the relevant Share Award any performance target(s) as the Board may then specify which must be achieved by the Grantee before any of the Share Awards can be exercised or deemed exercised, as well as the clawback mechanism, if applicable, for the Company to recover or withhold any Share Awards granted to any Eligible Participants. 17.03(7)
- 7.2 Specifically, if performance targets are imposed on a Grantee at the grant of the relevant Share Award, the Board will have regard to the purpose of this Plan in assessing the reasonableness and suitability of such performance targets, with reference to factors including but not limited to, as and when appropriate, the contribution of the relevant Grantee to the core business activities of the Group, including guaranteed home delivery, debt risk resolution, asset revitalization, long-term business recovery, and financial performance, and the factors considered in paragraphs 3.6 and 3.7, the satisfaction of which

shall be assessed and determined by the Board at its discretion. The performance target(s), if imposed, may include without limitation (i) individual financial targets such as revenue or profits generated by the Grantee over a defined period; (ii) individual non-financial targets relevant to the Grantee's roles and responsibilities; (iii) financial targets of the Group, whether on a targeted or comparative basis; (iv) non-financial targets of the Group such as the Group's strategic objectives, operational targets and plans for future development; and (v) any other performance targets that the Board may appropriately determine in its sole and absolute discretion. For the avoidance of doubt, the Share Award to be granted to a Grantee may be allocated over one or more vesting period(s) and if the relevant vesting conditions in respect of a particular period are not met at all, the relevant Share Award in respect of such particular period shall not vest. In addition, in respect of one or more vesting period(s), different performance target levels may be set. The higher the performance target level is attained, the more Share Awards shall vest at the end of the relevant vesting period, and such details (including the amount of Share Awards to be vested at each performance target level attained) shall be set out in the Offer. In other words, if the highest performance target level as set out in the Offer is not attained, only the relevant Share Award corresponding to the relevant lower performance target level attained shall vest, and the remaining Share Award shall not vest at the end of the relevant vesting period.

8. CLAWBACK MECHANISM

17.03(19)

8.1 If the clawback mechanism is prescribed, at the Board's discretion, on a Grantee at the grant of the relevant Share Award, in the event that:

- (a) a Grantee's employment has been terminated summarily;
- (b) a Grantee has been convicted of any criminal offence involving his or her integrity or honesty; or
- (c) a Grantee has been involved in any wrongdoing that brings the Group into disrepute or causes damages to the Group; or
- (d) the occurrence of other circumstances described in paragraph 6.6(3), 6.6(4) or 6.6(5),

any outstanding Share Awards not yet vested shall be immediately forfeited, unless the Board determines otherwise at its discretion. If the Board exercises such discretion, it may give (but is not obliged to) the relevant Grantee written notice and the Board's interpretation of and determination shall be final, conclusive and binding.

8.2 The Share Awards that are clawed back pursuant to paragraph 8.1 will lapse and will not be regarded as utilized for the purpose of calculating the Plan Mandate Limit and may be used to grant to other Eligible Participants.

9. EARLY TERMINATION OF EXERCISE PERIOD

9.1 The Exercise Period in respect of any Share Award shall automatically terminate and that Share Award (to the extent not yet vested) shall automatically lapse on the earliest of:

17.03(12)

- (1) subject to paragraph 6.6, the expiry of the Exercise Period;

- (2) the date on which the Grantee commits a breach of paragraph 6.1;
- (3) the expiry of any of the periods referred to in paragraph 6.6; and
- (4) the date of the grant of a winding-up order against the Company.

9.2 A resolution of the Board to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 6.6(3) or 6.6(4) shall be conclusive and binding on the Grantee.

10. **SCHEME LIMITS AND ADDITIONAL APPROVALS**

10.1 Subject to the Listing Rules:

17.03(3)

The Plan Mandate Limit

(1) subject to paragraph 15(e), the total number of Shares which may be issued (including any transfer of treasury shares of the Company) in respect of all Share Awards which may be granted at any time under this Plan (the “**Plan Mandate Limit**”) together with options and awards which may be granted under any other schemes of the Company shall not exceed 1,146,984,354 Shares. Share Awards lapsed in accordance with the terms of this Plan (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Plan Mandate Limit;

17.03B(1)

(2) the Board may grant new Share Awards to Eligible Participants over a period of five years or more from the Restructuring Effective Date, of which:

(i) Share Awards in respect of up to 20% of the Total Plan Cap may be granted on or before the first anniversary of the Restructuring Effective Date; and

(ii) additional Share Awards in respect of up to 20% of the Total Plan Cap may be granted on or before each anniversary of the Restructuring Effective Date thereafter, ending on the fifth anniversary of the Restructuring Effective Date,

provided that any unused quota in the prior year may be carried forward to and utilised in the subsequent years.

(3) if the Company conducts a share consolidation or sub-division after the Plan Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Plan Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole share;

Refreshment

(4) (a) subject to paragraph 15(e), the Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Plan Mandate Limit under this Plan on or after the third (3rd) anniversary of the date of the Shareholders’ approval for the last refreshment or the Adoption

17.03C
(1)(a)(b)(c)
17.03(2)

Date. The Plan Mandate Limit (as refreshed) shall not exceed the Total Plan Cap, and the total number of Shares which may be issued upon exercise of all (i) the Share Awards under this Plan and (ii) the options and awards to be granted under any other schemes of the Company as “refreshed” must not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph 10.1(4), the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and

- (b) any refreshment within any three (3)-year period shall be subject to independent Shareholders’ approval pursuant to Rule 17.03C(1)(b) and (c) of the Listing Rules;

Grant in excess of the Plan Mandate Limit

- (5) the Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Share Awards exceeding the Plan Mandate Limit provided that the Share Awards in excess of the Plan Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought, and provided further that the total number of Shares which may be issued (including any transfer of treasury shares of the Company) in respect of all Share Awards (excluding Share Awards lapsed in accordance with the terms of this Plan) which may be granted at any time under this Plan shall not exceed the Total Plan Cap (the “**Total Issuance Restriction**”). For the purpose of seeking approval of the Shareholders under this paragraph 10.1(5), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Share Awards, the number and terms of the Share Awards to be granted, the purpose of granting Share Awards to the specified Eligible Participants with an explanation as to how the terms of the Share Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Purchase Price) of the Share Awards to be granted to such Eligible Participant must be fixed before the Shareholders’ approval; 17.03C(3)

The 1% individual limit

- (6) (a) where any grant of a Share Award to an Eligible Participant would result in the Shares issued and to be issued (including any transfer of treasury shares of the Company) in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue (excluding treasury shares), such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person’s close associates (or associates if the Eligible Participant is a connected person) abstaining from voting; and 17.03(4)
17.03D(1)
17.03D(2)
- (b) the Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the

Share Awards to be granted (and Awards previously granted to such Eligible Participant during the twelve (12)-month period), the purpose of granting the Share Awards to the Eligible Participant, an explanation as to how the terms of the Share Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms of the Share Award to be granted to such Eligible Participant must be fixed before the Shareholders' approval.

Offer to a Director, chief executive of the Company or substantial shareholder, or any of their respective associates

- 10.2 Any grant of a Share Award to any of the Directors, chief executive of the Company or substantial shareholder, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Share Award). 17.04(1)
- 10.3 (a) (i) Where any grant of a Share Award to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued (including any transfer of treasury shares of the Company) in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares), or 17.04(3)
- (ii) where any grant of Share Awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued (including any transfer of treasury shares of the Company) in respect of all awards granted (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 treasury shares) at the date of such grant, 17.04(2)
- such grant of Share Award must be approved by the Shareholders in a general meeting of the Company.
- (b) The Company must send a circular to the Shareholders. The circular must contain the information required under the Listing Rules. 17.04(4)
17.04(5)
- (c) The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. 17.04(4)
- (d) Any vote taken at the general meeting of the Company to approve the grant of such Share Award must be taken on a poll and comply with the requirements under the Listing Rules.

- 10.4 Any change in the terms of Share Awards granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Share Awards requires such approval (except where the changes take effect automatically under the existing terms of this Plan). 17.03(18)
Note (1) to 17.04
- 10.5 Applications shall be made by the Company to the Listing Committee (as defined in the Listing Rules) for the listing of and the permission to deal in any Shares that may fall to be allotted and issued under this Plan.

11. REORGANISATION OF CAPITAL STRUCTURE

- 11.1 In the event of any alteration in the capital structure of the Company whilst any Share Award remains exercisable or this Plan remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in respect of any such adjustments (other than any made on a capitalisation issue) the Company shall instruct the Auditors or independent financial adviser to certify in writing to the Board the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to 17.03(13)

the number or nominal amount of Shares to which this Plan or any Share Awards relates (insofar as it is/they are unexercised),

and an adjustment as so certified by the Auditors or the independent financial adviser shall be made, provided that:

- (a) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (b) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe or purchase had the person exercised all the Share Awards held by him immediately prior to such event (as interpreted in accordance with FAQ13 – No. 16 (the “FAQ”) and the related Appendix 1 entitled “Supplementary Guidance on MB Rule 17.03(13) / GEM Rule 23.03(13) and the Note to the Rule” published by the Stock Exchange (the “**Supplemental Guidance**”) or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (c) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) in respect of any such adjustments, the Auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, the FAQ, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

Subject to the above principles and certification procedures and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Share Awards by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section I entitled “Capitalisation or Bonus Issue and Rights Issue or Open Offer of Shares” of the Supplemental Guidance published by the Stock Exchange, set out below:

New number of Share Awards = Existing Share Awards x F
Where

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

CUM = Closing price as shown in the daily quotation sheet of the Stock Exchange 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

- (2) In the case of a consolidation or subdivision of share capital, the Company would calculate the adjusted number of Share Awards by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section II entitled “Subdivision or Consolidation of Shares” of the Supplemental Guidance, set out below:

New number of Share Awards = Existing Share Awards x F
Where F = Subdivision or consolidation factor

Any dispute arising in connection with the number of Shares of a Share Award and any of the matters referred to this section shall be referred to the decision of the 'Auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

- 11.2 If there has been any alteration in the capital structure of the Company as referred in paragraph 11.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or an independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 11.1.

- 11.3 In giving any certificate under this paragraph 11, the Auditors and independent financial

adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

12. VOTING OF UNVESTED SHARES

- 12.1 The Trustee holding unvested Award Shares, 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 direction is given. 17.05A

13. CANCELLATION OF SHARE AWARDS

17.03(14)

- 13.1 Subject to paragraph 6.6, the Board may, with the consent of the relevant Grantee, cancel any Share Award granted but not yet vested on such terms and conditions as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.
- 13.2 Where the Company cancels any outstanding Share Awards and makes a new grant to the same Grantee, such new grant may only be made under this Plan with the available limit approved by the Shareholders as set out in paragraph 10.1. The Share Awards cancelled will be regarded as utilised for the purpose of calculating the Plan Mandate Limit in paragraph 10.1.

14. SHARE CAPITAL

The exercise of any Share Award shall be subject to the Company having sufficient share capital for the allotment and issuance of the Shares that may fall to be allotted and issued upon exercise of the Share Award.

15. ALTERATION OF THIS SCHEME

This Plan may be altered in any respect by a resolution of the Board provided that:

17.03(18)

- (a) any alteration to the terms and conditions of this Plan which is of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the shareholders of the Company in a general meeting of the Company;
- (b) any change to the terms of Share Awards granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Share Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the terms of this Plan);
- (c) any change to the authority of the Directors or the administrator of this Plan to alter the terms of this Plan must be approved by the shareholders of the Company in a general meeting of the Company;
- (d) the amended terms of this Plan or the Share Awards shall remain in compliance

with Chapter 17 of the Listing Rules;

- (e) the Plan Mandate Limit (as amended or refreshed) shall not exceed the Total Plan Cap; and
- (f) the following provisions shall not be altered, modified, removed or waived:-
 - (i) the definition of “Eligible Participant(s)”;
 - (ii) the Selling Restriction in paragraph 6.8;
 - (iii) paragraph 10.1(2);
 - (iv) the Total Issuance Restriction in paragraph 10.1(5); and
 - (v) subparagraphs (e) and (f) of this paragraph 15.

16. TERMINATION

17.03(16)

16.1 The Company by the approval of the Board may at any time terminate the operation of this Plan. In such event, no further Share Awards will be offered but in all other respects, the provisions of this Plan shall remain in force to the extent necessary to give effect to the exercise of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Plan and the Share Awards granted prior to such termination shall continue to be valid and exercisable in accordance with this Plan.

16.2 Upon termination of this Plan:

- (a) no further grant of Award Shares may be made under this Plan;
- (b) all the granted but unvested Award Shares under this Plan shall continue to be held by the Trustee and become vested in the Grantees according to the conditions of the Share Awards, subject to the procedures in paragraph 6 being satisfied;
- (c) Returned Shares and all other Shares remaining in the Trust shall, at the discretion of the Board, be sold or transferred to any other trust(s) established for the purpose of any share scheme(s) of the Company in which Eligible Participants may participate (regardless of whether persons other than Eligible Participants may also participate) or (if there is no such other trust(s) at the time of termination of this Plan) to any other person, within 30 days (on which the trading of the Shares has not been suspended) of the date of the termination of this Plan (or such longer period as the Board may otherwise determine); and
- (d) the net proceeds of sale referred to in paragraph 16.2(c) and all other funds and properties remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph 16.2(c).

17. MISCELLANEOUS

- 17.1 This Plan shall not form part of any contract of employment or services between any member of the Group or Related Entity on the one part and any Eligible Participant on the other part. The rights and obligations of any such Eligible Participant under the terms of his office or employment or provision of services shall not be affected by his participation in this Plan or any right which the person may have to participate in it and this Plan shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment or provision of services for any reason.
- 17.2 This Plan shall not confer on any person any legal or equitable rights (other than those constituting the Share Awards themselves) against any member of the Group or any Related Entity directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group or any Related Entity.
- 17.3 The Company shall bear the costs of establishing and administering this Plan, including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Plan.
- 17.4 Any direct costs and expenses arising on the vesting and issue of the Award Shares to or for the benefit of a Grantee shall be borne by the Company.
- 17.5 Any duty or other costs and expenses arising on the sale of the Award Shares and payment of the Actual Sale Proceeds or economic benefits as contemplated by paragraph 6.3(2)(iii) or paragraph 6.3(2)(iv) shall be borne by the Grantee and deducted from the amount payable to the Grantee pursuant to paragraph 6.3(2)(iii) or paragraph 6.3(2)(iv).
- 17.6 A Grantee shall pay all tax and discharge all other liabilities to which the person may become subject as a result of his participation in this Plan or the acceptance of an Offer or the exercise of any Share Award. The Company will not be responsible for any tax or other liability to which a Grantee may become subject as a result thereof.
- 17.7 The Company and its subsidiaries 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 Share Awards or Award Shares.
- 17.8 Any notice or other communication between the Company and the Grantee in connection with this Plan may be given by sending the same:
- (1) to the Company, by prepaid post or personal delivery to its principal place of business in Hong Kong at the time or such other address as notified to the Selected Participant from time to time; and
 - (2) to the Grantee, by prepaid post, personal delivery or email to postal address, home address or work e-mail address to the records of the Company or such other address as the Company considers appropriate.

Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company. Any notice or other communication if

sent to the Grantee shall be deemed to be given or made:

- (a) one (1) day after the date of posting, if sent by mail;
- (b) seven (7) days after the date of posting to an address in a different territory;
- (c) upon completion of transmission if sent by facsimile or other form of electric transmissions; and
- (d) when delivered, if delivered by hand.

- 17.9 A Grantee shall, before accepting an Offer or exercising his Share Award, obtain all necessary consents and approvals that may be required to enable him to accept the Offer or to exercise the Share Award and the Company to allot and issue or deliver to him in accordance with the provisions of this Plan the Shares falling to be allotted and issued or delivered upon the exercise of his Share Award. By accepting an Offer or exercising his Share Award, the Grantee thereof is deemed to have represented to the Company that the person has obtained all such consents and approvals. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Share Award. The Company will not grant any Share Award or vest any Award Shares to a Grantee unless, if so requested by the Company, the Grantee proves to the satisfaction of the Company that all such consents or registrations have been obtained or made. Each Grantee indemnifies and holds harmless the Group or Related Entity against any action, claim, demand, investigation, loss, liability, damages or fine made or brought and all costs, fees and expenses relating thereto against any member of the Group or Related Entity which results or may have resulted from his/her failure to obtain the necessary consents and file the necessary registrations.
- 17.10 By accepting an Offer a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate him for loss of any rights under this Plan.

18. GOVERNING LAW

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