

WAI CHI HOLDINGS COMPANY LIMITED
(偉志控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

RULES OF THE
SHARE AWARD SCHEME

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1. DEFINITIONS AND INTERPRETATION

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

(A)

"Adoption Date"	being the date on which the Share Award Scheme is adopted by the resolution of the Shareholders at the EGM
"Articles"	the articles of the association of the Company from time to time
"associates"	has the meaning ascribed to it under the Listing Rules
"Award"	an award of Shares (together with any Relevant Income) by the Board to Selected Employee pursuant to the Share Award Scheme
"Awarded Shares"	in respect of a Selected Employee, such number of Shares determined by the Board for grant of Award and such Shares can be:- <ul style="list-style-type: none">i. new Shares issued by the Company at par for Selected Employee;ii. existing Shares purchased by Trustee on the market; oriii. Returned Shares or Further Shares awarded under the Share Award Scheme
"Board"	the board of Directors, such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors to administrate the Share Award Scheme
"Business Day"	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which the Stock Exchange is open for trading and on which licensed banks are open for ordinary banking business in Hong Kong
"Company"	Wai Chi Holdings Company Limited, a company incorporated with limited liability in the Cayman Islands
"connected person"	has the meaning ascribed to it under the Listing Rules
"core connected person"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	Appendix 14 "Corporate Governance Code" to the Listing Rules

"Director"	any director (including independent non-executive director) of the Company for the time being
"EGM"	the extraordinary general meeting of the Company for the purpose of considering and, if thought fit, approving, among other things, the adoption of the Share Award Scheme and the Share Option Scheme and the termination of the Existing Share Option Scheme
"Employee"	any employee (including without limitation any director) of the Company or of any Subsidiary (including any person who is granted Award(s) under the Share Award Scheme as an inducement to enter into employment contract with the Company or any Subsidiary)
"Excluded Employee"	any Employee who is resident in a place where (i) the settlement of the Reference Amount and the award of the Awarded Shares and/or the award of the Returned Shares and/or vesting or transfer of Shares pursuant to the term of the Share Award Scheme is not permitted under the laws and regulations of such place or (ii) where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude the Employee, in each case as determined by the Board in its absolute discretion
"Further Shares"	Shares purchased by the Trustee out of cash income or net proceeds of sale of non-cash or non-scrip distributions declared and distributed by the Company in respect of Shares held upon the Trust
"Group"	the Company and its Subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"inside information"	has the meaning ascribed to it under the Listing Rules and as defined in the SFO
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Partial Lapse"	shall have the meaning as set out in Paragraph 5(F4)(ii)
"Reference Amount"	shall have the meaning as set out in Paragraph 5(B1)

"Reference Date"	the date of final approval by the Board of the total number of Shares to be awarded to the Selected Employees in a single occasion pursuant to the Share Award Scheme
"Refreshment"	the refreshing of the Scheme Limit as approved by Shareholders in general meeting in accordance with the relevant rules under the Listing Rules
"Related Income"	all income derived from a Share held upon the Trust in the form of the Shares (including but not limited to, the Further Shares, and any bonus Shares and scrip Shares received in respect of the Share). For the avoidance of doubt, it excludes any non-cash and non-scrip distribution or proceeds of sale of the same or Residual Cash
"Relevant Event"	any variation in the share capital of the Company arising from any capitalisation issue, reduction, subdivision or consolidation of share capital of the Company, any rights issue of any share capital of the Company by way of capitalisation of profits or reserves or in connection with an open offer to the Shareholders (except where Shares are issued as consideration or part consideration in a transaction)
"Residual Cash"	being cash remaining in the Trust Fund in respect of an Awarded Share (including interest income derived from deposit maintained with licensed banks in Hong Kong, cash income and sale proceeds which have not been applied in the acquisition of Further Shares)
"Returned Shares"	such Awarded Shares and Related Income of the relevant Awarded Shares which are referable to a Selected Employee and which are not vested in accordance with the terms of the Share Award Scheme (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or forfeited in accordance with the terms of the Share Award Scheme, or such Shares that are deemed to be Returned Shares
"Selected Employee(s) "	Employee(s) selected by the Board pursuant to Paragraph 5(A) hereof and Employee(s) selected by the Trustee after having taken into consideration recommendations of the Board pursuant to Paragraph 8 hereof for participation in the Share Award Scheme
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

"Shareholder(s)"	holder(s) of Share(s) from time to time
"Share Award Scheme"	the "Share Award Scheme" constituted by the rules hereof, in present form or as amended from time to time in accordance with the provisions hereof
"Share Option Scheme"	the share option scheme proposed to be adopted by the Company at the EGM, in its present form or as amended from time to time
"Shares"	fully paid ordinary shares of HK\$0.01 each in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, sub-division or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary"	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company, and the term "Subsidiaries" shall be construed accordingly
"substantial shareholder"	shall have the meaning ascribed to it under the Listing Rules
"Total Lapse"	shall have the meaning as set out in Paragraph 5(F3)(v)
"Trust"	the trust constituted by the Trust Deed to support and facilitate the operation of the Share Award Scheme
"Trust Deed"	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
"Trust Fund"	shall have the meaning as set out in Clause 1.1 of the Trust Deed
"Trust Period"	shall have the meaning as set out in Clause 1.1 of the Trust Deed
"Trustee"	the trustee to be appointed by the Company for the purpose of the Trust which will hold the Shares (and the Related Income, if any) on trust for the benefit of the Selected Employee under the Share Award Scheme pursuant to the terms of the relevant Trust Deed

"Vesting Date"	The Vesting Date is the first anniversary date of the Reference Date or in case such date is not a Business Day, the Business Day immediately thereafter
"%"	per cent

(B) In the Share Award Scheme, unless the context otherwise requires:

- 1.1.1 the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of the Share Award Scheme;
- 1.1.2 references to paragraphs and schedules are reference to paragraphs and schedules of the Share Award Scheme;
- 1.1.3 references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- 1.1.4 expressions in the singular shall include the plural and vice versa;
- 1.1.5 expressions in any gender shall include other genders; and
- 1.1.6 references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind.

2. PURPOSES AND OBJECTIVES

(A) The objectives of the Share Award Scheme are:

- (i) to recognise the contributions by certain Employees and give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

(B) This Share Award Scheme serves to set out the terms and conditions upon which the incentive arrangement for the Employees shall operate.

(C) No performance target is attached to the Share Award Scheme.

3. DURATION

Subject to any earlier termination by the Board pursuant to Paragraph 11 of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date provided that no further settlement of Reference Amount and no further Awards shall be made on or after the 10th anniversary date of the Adoption Date, but these rules of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

4. ADMINISTRATION

- (A) The Share Award Scheme shall be subject to the administration of the Board in accordance with these rules of the Share Award Scheme, the Trust Deed and all applicable laws and regulations.
- (B) The Board's decisions on all matters arising in relation to the Share Award Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby, provided that such administration shall not prejudice the powers of the Trustee as provided under the Trust Deed.
- (C) A Selected Employee shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Share Award Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, legislation, regulations, rules or codes including all applicable exchange control, fiscal and other laws to which he is subject. The Board may, as a condition precedent of making an Award, require a Selected Employee to produce such evidence as it may reasonably require for such purpose. There is no additional amount payable on application or acceptance of the Award.
- (D) The Trustee will hold the Awarded Shares and the income derived therefrom in accordance with the terms of the Trust Deed. The Awarded Shares, once issued to the Selected Employees upon the Vesting Date, will rank *pari passu* to all other Shares in issue at that time.

5. OPERATION OF SHARE AWARD SCHEME

- (A) The Board (and/or the Trustee pursuant to its power under Paragraph 8 and the Trustee Deed) may, from time to time, at their absolute discretion select any Employee (excluding the Excluded Employee) for participation in the Share Award Scheme as a Selected Employee, with due regard to, without limitation, the Board's opinion as to that Employee's contribution and/or future contribution to the development and growth of the Group. However, until so selected, no Employee shall be entitled to participate in the Share Award Scheme.

Selected Employee include any Employee (including without limitation any director) of the Company or of any Subsidiary (including any person who is granted Award(s))

under the Share Award Scheme as an inducement to enter into employment contract with the Company or any Subsidiary) whom the Board may, from time to time, at its absolute discretion select for participation in the Share Award Scheme.

The basis of eligibility of any of the Select Employees shall be determined by the Board from time to time. In assessing the eligibility of any Selected Employees, the Board will consider all relevant factors as appropriate, including, among others, (i) length of service of the Selected Employee; (ii) experience of the Selected Employee on the Group's business; (iii) amount of contribution the Selected Employee has made or is likely to make towards the success of the Group; and (iv) such other factors as the Board may at its discretion consider appropriate.

Purchase of Awarded Shares by Trustee

- (B1) Subject to Paragraph 7, with effect from Adoption Date, the Board shall select Selected Employee(s) and determine the number of Awarded Shares to be awarded, and shall afterwards inform in writing the Trustee and the Selected Employee(s) of such number of Awarded Shares and the vesting period and conditions (if any) accordingly, provided that such written information provided to the Selected Employee does not confer and shall not be construed as having conferred or conferring any rights, interests, benefits and title to and in the Awarded Shares on such Selected Employee before the vesting of the legal and beneficial ownership of such Awarded Shares (or the net proceeds thereof) in the Selected Employee in accordance with these rules of the Share Award Scheme. The Board shall, after having regard to the requirement under Paragraphs 5(G2), (G3) and (G4), cause to be paid the Reference Amount, being the sum of (i) the closing price of a Share as at the Reference Date multiplied by the number of Awarded Shares and (ii) the related purchase expenses (including for the time being, if any, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy) and such other necessary expenses required for the completion of the purchase of all the Awarded Shares (the "Reference Amount") to the Trustee from the Company's resources as soon as practicable.
- (B2) With effect from Adoption Date, within 20 Business Days on which the trading of Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to circumstances of the purchase concerned) after receiving the Reference Amount or the cash income or the deemed cash income (as referred to in Paragraph 6(C)) of the Shares held upon the Trust, the Trustee shall apply the same towards the purchase of the number of Awarded Shares at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board) and in the manner prescribed by the Company upon receiving the Company's written instruction stating the number of Award Shares and prices. If the Company's instruction is given within a range of the number of Shares and/or prices, the Trustee shall purchase the said Awarded Shares at its reasonable discretion and in good faith to select any number of Awarded Shares and/or market price (as the case may be) within such range provided by the Company. Any balance of the Reference Amount provided shall be returned by the Trustee to the Company

forthwith after completion of the purchase. Where the Reference Amount paid or caused to be paid by the Company to the Trustee is not sufficient to purchase all the Awarded Shares, the Trustee shall acquire the maximum number of board lots of Shares and seek further funds from the Company until all the Awarded Shares are purchased. The Trustee will not effect the purchase of any Shares by off-market transactions. For the avoidance of doubt, the Shares so purchased shall form part of the capital of the Trust Fund of the Trust.

- (B3) Cash income of an Awarded Share shall be applied towards (i) the purchase of Further Shares to be held upon trust referable to the relevant Selected Employee and the payment of the relevant purchase expenses, (ii) to defray the fees, costs and expenses in connection with the adoption, administration and/or termination of the Trust and the Share Award Scheme, and (iii) the remainder, if any, to be returned to the Company.

Awarded Shares by an allotment and issue of new Shares

- (C) In the event that the Board decides to satisfy the Awarded Shares by an allotment and issue of new Shares to the Trustee, the Board shall notify the Trustee in writing of its decision and instruction. In this case, the Trustee will apply for the new Shares after receiving from the Company the relevant amount of money as consideration for the subscription of such number of new Shares from the Company. With regard to the Trustee's application for new Shares as aforesaid, an allotment and issue of new Shares to the Trustee shall only be made upon the fulfilment of the following conditions:
- (i) the Company having obtained Shareholders' approval pursuant to the rules of the Share Award Scheme to authorise the Directors to allot and issue new Shares provided that: (i) the total number of Shares to be allotted and issued to the Trustee under the Share Award Scheme shall not exceed the Scheme Limit specified in Paragraph 7; and (ii) where any Award is proposed or is to be made to a connected person and the relevant Award is to be satisfied by an allotment and issue of new Shares, the Award shall be separately approved by the Shareholders in general meeting with such connected person and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award;
 - (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the new Shares which may be allotted and issued by the Company to the Trustee pursuant to the Share Award Scheme; and
 - (iii) the allotment and issue of new Shares being within the Scheme Limit and any other limit (if any) specified under the Listing Rules from time to time.

For the avoidance of doubt, an issue of new Shares to a connected person is fully exempt if the new Shares are issued to the connected person under the Share Award Scheme that complies with Chapter 17 of the Listing Rules.

Awards to a Director, chief executive, substantial shareholder or any of their respective associates, connected person and Selected Employee

- (D1) Any grant of Awards to a Director, chief executive or substantial shareholder of the Company or any of their respective associates under the Share Award Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Award(s)).
- (D2) Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Awards must be approved by Shareholders in general meeting in accordance with the relevant rules under the Listing Rules.
- (D3) Where any grant of options or Awards 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 in respect of all options and Awards granted (excluding any options or Awards lapsed in accordance with the terms of the Share Option Scheme or the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting in accordance with the relevant rules and E.1.9 of the Corporate Governance Code under the Listing Rules.
- (D4) If any Award is proposed by the Company to be made to a connected person, the making of an Award to a connected person shall be subject to compliance by the Company of the applicable laws, rules and regulations including all relevant requirements under Chapter 14A of the Listing Rules.
- (D5) In the circumstance described in (D2) or (D3) above, the Company must send a circular to the Shareholders in accordance with the relevant requirements under the Listing Rules. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules.

Vesting period and Reference Date

- (E) The Awarded Shares and Related Income, if any, held by the Trustee upon the Trust and which are referable to a Selected Employee shall vest in accordance with the conditions as the Board may determine at its absolute discretion or is deemed to have vested pursuant to the rules of the Share Award Scheme. The Trustee shall transfer the relevant Awarded Shares and Related Income, if any, to such Selected Employee on the relevant Vesting Date. The Vesting Date is the first anniversary date of the Reference Date or in

case such date is not a Business Day, the Business Day immediately thereafter. No performance target is attached to the Share Award Scheme.

Provision of lapse, cancellation and transferability of Award

- (F1) Notwithstanding the provision of Paragraph 5(E), in respect of a Selected Employee who died or retired at his/her normal retirement date or earlier by agreement with the Company or the Subsidiary at any time prior to a Vesting Date, all the Awarded Shares and the Related Income of a Selected Employee shall be deemed to be vested on the day immediately prior to his death or retirement at his/her normal retirement date or earlier by agreement with the Company or the Subsidiary as the Award granted to a Selected Employee is to recognise his/her past contribution to the Group and no performance target is attached to the Share Award Scheme.
- (F2) In the event of the death of a Selected Employee, the Trustee shall hold the vested Awarded Shares and the Related Income (hereinafter referred to as “Benefits”) upon trust and to transfer the same to the legal personal representatives of the Selected Employee and subject as aforesaid the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing power within (i) two years of the death of the Selected Employee (or such longer period as the Trustee and the Company shall agree in writing from time to time) or (ii) the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Employee 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 as Returned Shares for the purposes of the Share Award Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had retained part of the Trust Fund of the Trust.
- (F3) Save as provided in Paragraph 5(F1), in the event that
- (i) a Selected Employee ceases to be an Employee;
 - (ii) the Subsidiary by which a Selected Employee is employed ceases to be a subsidiary of the Company (or of a member of the Group);
 - (iii) any of the vesting conditions upon an Award to the relevant Selected Employee as determined by the Board on the Reference Date under Paragraph 5(F1) were not fulfilled;
 - (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation and reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to successor company); or
 - (v) the Selected Employee has been guilty of misconduct, or has been convicted of any criminal offence involving his integrity or honesty, or could no longer make any contribution to the growth and development of the Group for any

reason whatsoever, as the Board may at its absolute discretion determine (each of these, an event of “Total Lapse”),

the Award shall automatically lapse and be cancelled forthwith and all the Awarded Shares and Related Income of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

(F4) In the event that

- (i) a Selected Employee is found to be an Excluded Employee or
- (ii) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares and the Related Income within the stipulated period (whether in the ordinary vesting or on such other dates as provided in the Share Award Scheme) (each of these, an event of “Partial Lapse”),

the relevant part of an Award made to such Selected Employee shall automatically lapse and be cancelled forthwith and the relevant Awarded Shares and Related Income shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

(F5) Except in the circumstances as set out in Paragraph 5(F1) in respect of the death of a Selected Employee or retirement of a Selected Employee at his/her normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total Lapse,

- (i) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, the Trustee shall, upon receiving the relevant notice from the relevant Selected Employee, send to the relevant Selected Employee (with a copy to the Company) such prescribed transfer documents which require the Selected Employee to execute to effect vesting and transfer of the Awarded Shares and the Related Income on the relevant Vesting Date; and
- (ii) subject to the receipt by the Trustee of such transfer document(s) prescribed by the Trustee and duly signed by the Selected Employee within the period stipulated in the vesting notice referred in Paragraph 5(F5)(i) hereof, and (b) a written confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Awarded Shares and the Related Income to the Selected Employee.

(F6) Any Award made hereunder shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to either the Reference Amount or the Awarded Shares referable to him pursuant to such Award or the Related Income or any of the Returned Shares under the Share Award Scheme. Any breach of the foregoing by any Selected Employee shall entitle the Company to cancel the Award made to such Selected

Employee, and the Board shall notify the Trustee in writing accordingly. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit.

- (F7) For the avoidance of doubt,
- (i) a Selected Employee shall only have a contingent interest in the relevant Awarded Shares and the Related Income which are referable to him subject to the vesting of such Shares in accordance with Paragraph 5(F1);
 - (ii) a Selected Employee shall have no right in the Residual Cash or any of the Returned Shares;
 - (iii) no instructions may be given by a Selected Employee to the Trustee in respect of the Awarded Shares and the Related Income, and such other properties of the Trust;
 - (iv) the Trustee shall not exercise the voting rights in respect of any Shares held under the Trust; the Trustee holding unvested Shares under the Share Award 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;
 - (v) the Trustee will hold all dividends received on the Trust Fund as cash income of the Trust Fund and all cash income and the net proceeds of sale of non-cash or non-scrip distribution declared in respect of a Share held upon the Trust will be applied towards the purchase of Further Shares, in the event the record date for ascertaining entitlement to distribution in respect of the Shares held upon the Trust is on a date earlier than a Vesting Date. If the date of the purchase of the Further Shares falls on or after the Vesting Date, the Trustee shall transfer such relevant Further Shares to the Selected Employee forthwith, after the purchase, subject to the receipt of the duly executed prescribed transfer documents by the Trustee within the stipulated period;

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- (vi) In the event that any Employee has committed any serious misconduct or breach of the Company's policies, rules or regulations or made any material misstatement(s) in the Company's financial statements,
 - I. the Board shall not select such an Employee for participation in the Share Award Scheme as a Selected Employee so that no Award shall be granted to such an Employee;
 - II. in case the Board has already selected an Employee as a Selected Employee, the Board or the Trustee shall not grant any Award to such Selected Employee and the Selected Employee will cease to be a Selected

Employee. If an Award has already been granted to a Selected Employee, the Award granted to a Selected Employee shall automatically lapse and be cancelled forthwith and the Awarded Shares and Related Income of such Award shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme; and

- III. after the Awarded Shares and Related Income held by the Trustee upon the Trust and which are referable to a Selected Employee have been vested in that Selected Employee, the Board or the Trustee will not recover the vested Awarded Shares and/or Related Income from that Selected Employee.

Restriction on the time of grant of Award

- (G1) No payment shall be made to the Trustee pursuant to Paragraph 5(B1) and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.
- (G2) The Company or the Board or the Trustee may not grant any Award or the Board may not give any instruction to the Trustee to acquire any Shares as Award Shares after inside information has come to the knowledge of the Company until (and including) the trading day after the inside information has been announced in accordance with the Listing Rules and the SFO.
- (G3) The Company may not grant any Awards after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Award may not be granted during the period commencing one month immediately before the earlier of:
- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, quarterly or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement.
- (G4) No Award may be granted during any period of delay in publishing a results announcement.

Right of the Selected Employees

- (H) The Selected Employees shall have no right, benefit, interest and title to or in:
- (i) any Awarded Shares unless and until the Trustee has vested the legal and beneficial ownership of such Awarded Shares in the Selected Employees (or, as the case may be, their respective legal personal representatives) in accordance with the Share Award Scheme and/or the Trust Deed;
 - (ii) any fractional Shares resulting from any allocation of bonus Shares or scrip dividend in respect of Awarded Shares;
 - (iii) the Trust Fund save as described in Sub-paragraph (H)(i) above;
 - (iv) any income or distributions derived from the Awarded Shares made to him prior to the vesting; and all such income or distributions accrued prior to the vesting of the Awarded Shares shall be treated as income of the Trust Fund; and
 - (v) any right to give instruction to the Trustee in respect of any part of the Trust Fund except in connection with the transfer of the legal and beneficial ownership of the vested Awarded Shares to the Selected Employees or to securities accounts of the Selected Employees.

Disclosure in relation to the grant

- (I) In respect of the administration of the Share Award Scheme, the Company shall comply with all applicable disclosure regulations and requirements including without limitation those imposed by the Listing Rules from time to time.

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

- (A) If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares and the Related Income shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the Vesting Date. Subject to the receipt by the Trustee of duly executed prescribed documents on or before such time as the Trustee may determine and a written confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the Awarded Shares and Related Income to the Selected Employee. For the purpose of this Paragraph 6(A), "control" shall have the meaning as specified in The Code on Takeovers and Mergers and Share Buy-backs from time to time.
- (B) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip Shares.
- (C) In the event of other non-cash and non-scrip distribution made by the Company in respect of the Shares held upon the Trust, the Trustee shall dispose of such

distribution and the net sale proceeds thereof shall be deemed as cash income of a Share held upon the Trust and shall be applied in accordance with Paragraph 5(B3).

- (D) Upon the occurrence of any Relevant Event, the number of Awarded Shares may be adjusted in a manner as determined by the Board having received a statement in writing from the independent financial adviser or the auditor of the Company that in their opinion the adjustments proposed satisfy the requirements set out in Rule 17.03(13) of the Listing Rules. The adjustment must give the Selected Employees the same proportion of the Awarded Shares, rounded to the nearest whole share, as that to which he was previously entitled prior to such adjustments.

7. SCHEME LIMIT

- (A) The total number of Shares which may be issued upon exercise of all Awards and options to be granted under the Share Award Scheme, the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Award Scheme (the "**Scheme Limit**"), unless further Shareholders' approval has been obtained pursuant to the rules of the Share Award Scheme, provided that Awards lapsed in accordance with the terms of the Share Award Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit. As at the Adoption Date, the total number of Shares in issue is 216,825,000 Shares. Assuming (i) the passing of the proposed ordinary resolution approving the Scheme Limit at the EGM; and (ii) no change in the total number of Shares as at the Adoption Date, the Scheme Limit will be 21,682,500 Shares. The Board shall not make any further Award which will result in that the number of Shares awarded by the Board under the Share Award Scheme would represent in excess of the Scheme Limit.
- (B) If the Company conducts a share consolidation or subdivision after the Scheme 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 the Share Option Scheme and the Share Award Scheme, as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.
- (C) The Company may seek approval by its Shareholders in general meeting for Refreshment of the Scheme Limit under the Share Award Scheme after three (3) years from the Adoption Date or the date of the Shareholders' approval for the last Refreshment (as the case may be) in accordance with the relevant rules in the Listing Rules. Any Refreshment within any three (3) year period must be approved by Shareholders in general meeting, provided that (i) any controlling shareholders of the Company 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(s) at the general meeting; and (ii) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules. The aforesaid requirement on Refreshment does 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 the Scheme Limit (as a percentage of the relevant class of Shares in issue) upon Refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

- (D) The total number of Shares which may be issued in respect of all options and Awards to be granted under the Share Option Scheme and the Share Award Scheme under the Scheme Limit as refreshed shall not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Limit (the “**Refreshment Approval Date**”). The Company shall send a circular to its Shareholders containing the number of options and Awards that were already granted under the existing Scheme Limit, and the reason for the Refreshment in accordance with the relevant requirements under the Listing Rules.
- (E) The Company may seek separate approval by its Shareholders in general meeting for granting options or Awards beyond the Scheme Limit, provided that the options or Awards in excess of the Scheme Limit are granted only to Selected Employee specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders containing the name of each Selected Employee who may be granted such Award in accordance with the relevant requirements under the Listing Rules. The number and terms of Awards to be granted to such Selected Employee must be fixed before the Shareholders’ approval.
- (F) The maximum number of the shares which may be awarded to a Selected Employee under the Share Award Scheme in any 12-month period up to and including the date of such grant shall not exceed one per cent. (1%) of the issued share capital of the Company as at the Adoption Date or the Refreshment Approval Date (as the case may be). Where any grant of Award to an individual Selected Employee would result in the Shares issued and to be issued in respect of all options and awards granted to such Selected Employee (excluding any options and Awards lapsed in accordance with the terms of the Share Option Scheme and the Share Award Scheme respectively) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be separately approved by Shareholders in general meeting with such Selected Employee and his/her close associates (or associates if the Selected Employee is a connected person) abstaining from voting. In such case, the Company shall send a circular to the Shareholders in accordance with the relevant requirements under the Listing Rules.

8. RETURNED SHARES

The Trustee shall hold the Returned Shares exclusively for the benefit of all or one or more of the Selected Employees (excluding any Excluded Employee), whether the awardee is a Selected Employee at the time of Award, as the Trustee in its reasonable discretion shall at any time determine, after having taken into consideration recommendation of the Board. When Returned Shares have been awarded, the Trustee shall notify the Board accordingly. The Board shall designate an individual as a duly

authorized person who has authority to act on behalf of the Board to receive the notification from or supply information to or give consent to the Trustee as mentioned herein and below and inform the Trustee of such person.

9. DISPUTES

Any dispute arising in connection with the Share Award Scheme shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decision shall be final and binding.

10. ALTERATION OF THE SHARE AWARD SCHEME

- (A) The Share Award 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 Selected Employee. No alteration shall be made to the terms and conditions of the Share Award Scheme which are of a material nature or to the matters set out in rule 17.03 of the Listing Rules to the advantage of Selected Employees unless such alteration is approved by shareholders of the Company in general meeting;
- (B) Any change to the terms of Award to the Selected Employee 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 Awards was approved by the Board, the remuneration committee, the independent non-executive directors and/or the Shareholders (as the case may be);
- (C) The amended terms of the Share Award Scheme must still comply with the relevant requirements of chapter 17 of the Listing Rules; and
- (D) Any change to the authority of the Directors to alter the terms of the Share Award Scheme must be approved by Shareholders in general meeting.

11. TERMINATION

- (A) The Share Award Scheme shall terminate on the earlier of:
 - (i) the 10th anniversary date of the Adoption Date;
 - (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Employee hereunder; or
 - (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation and reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to successor company).

(B) Upon termination:

- (i) all the Awarded Shares and the Related Income shall become vested on the Selected Employee so referable on such date of termination save in respect of the Total Lapse, subject to receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee within the period stipulated by the Trustee;
- (ii) Returned Shares and such non-cash income remaining in the Trust Fund shall be sold by the Trustee, within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Share Award Scheme (or such longer period as the Board may otherwise determine);
- (iii) Residual Cash, net proceeds, of sale referred to in Paragraph 11(B)(ii) hereof and other funds remaining in the Trust (after making appropriate deductions in respect of all actual and proper disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. 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 11(B)(ii) hereof).

(C) 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 the Share Award Scheme.

12. MISCELLANEOUS

- (A) The Share Award Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Employee, and the rights and obligations of any Employee under the terms of his office or employment shall not be affected by his participation in the Share Award Scheme or any right which he may have to participate in it and the Share Award Scheme shall afford such Employee no conditional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- (B) The Company shall bear the costs of establishing and administering the Share Award Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Paragraph 12(C), expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fee (i.e., not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of Shares to Selected Employees on the relevant Vesting Date. 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 Employee or the Trustee in respect of any sale, purchase, vesting or transfer of Shares.

- (C) Any notice or other communication between the Company and any Employee 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 Employee from time to time and in the case of an Employee, his address in Hong Kong or such other address as notified to the Company in writing from time to time. 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.
- (D) The Company shall not be responsible for any failure by any Employee to obtain any consent or approval required for such Employee to participate in the Share Award Scheme as a Selected Employee or for any tax, duty, expenses, fees or any liability to which he may become subject as a result of his participation in the Share Award Scheme.

A Selected Employee shall, before accepting an Award and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him, obtain all necessary consents that may be required to enable him to accept such Award and take such transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof), as the case may be, in accordance with these rules of the Share Award Scheme. By accepting an Award, the Selected Employee is deemed to have represented to the Company and the Trustee that he has obtained all such consents. A Selected Employee shall indemnify the Company and the Trustee, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee, as the case may be, may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of such Selected Employee to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him as referred to in this paragraph.

- (E) A Selected Employee shall pay all tax and discharge all liabilities to which he may become subject or liable as a result or consequence of his participation in the Share Award Scheme, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Shares (or the net sale proceeds thereof) to and in him, or any of the foregoing.
- (F) A Selected Employee shall indemnify the Company, any Subsidiary and/or the Trustee against any liability each of them may have to pay or account for any taxes
- (G) The Selected Employee and/or the Company shall be responsible for any tax reporting obligations to any relevant tax authorities, and to notify the Trustee in a timely manner of any tax reporting obligations that the Trustee may have to enable the Trustee to fulfil such reporting obligations, including providing the Trustee with all information and documents required by the relevant tax authorities to fulfil its Common Reporting Standard (“CRS”) and Foreign Account Tax Compliance Act (“FATCA”) reporting obligations (if and as necessary and appropriate).

- (H) The Trustee may rely on the instructions and directions in writing, or any of them, given to it by the Board from time to time under the Share Award Scheme, and the contents thereof, without further and/or independent inquiry or verification, and may assume the same and the transactions contemplated thereby to be in compliance with all applicable laws, rules, regulations, codes, and guidelines, whether statutory, regulatory, administrative or otherwise and whether having the force of law, and these rules of the Share Award Scheme and the Trust Deed.
- (I) 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 the Share Award Scheme, and any such deletion shall not affect the enforceability of the Share Award Scheme and the remaining provisions thereof that are not so deemed to have been deleted.

13. GOVERNING LAW, ETC

- (A) The Share Award Scheme shall operate subject to the Articles and any applicable law.
- (B) The Share Award Scheme shall be governed by and construed in accordance with the laws of Hong Kong.