

Grand Ming Group Holdings Limited

佳明集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

**RULES OF THE SHARE AWARD PLAN
ADOPTED BY THE SHAREHOLDERS IN THE
ANNUAL GENERAL MEETING
HELD ON 4 AUGUST 2023**

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(a company incorporated in the Cayman Islands with limited liability)

SHARE AWARD PLAN
ADOPTED ON 4 AUGUST 2023

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, except where the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which this Plan is approved and adopted by the Shareholders.
“AFRC”	the Accounting and Financial Reporting Council.
“Articles”	the articles of association of the Company, as amended from time to time.
“associate(s)”	shall bear the meaning ascribed thereto in the Listing Rules.
“Auditors”	the independent auditors for the time being of the Company.
“Award”	a provisional award of the Awarded Shares made in accordance with paragraph 3.
“Award Notice”	the notice to be sent to the Trustee upon the making of an Award containing the particulars referred to in paragraph 3.5.
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award.
“Board”	the board of Directors from time to time, which for the purposes of the Plan shall include any committee of the board of Directors duly constituted from time to time to administer the Plan and to which the functions and responsibilities of the board of Directors under the Plan have been delegated.
“Business Day”	a day or days on which banks in Hong Kong are generally open for business (excluding Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.).
“chief executive”	has the meaning ascribed to it under the Listing Rules.

“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended from time to time.
“Companies Ordinance”	the Companies Ordinance (Chapter 622), the Laws of Hong Kong, as amended from time to time.
“Company”	Grand Ming Group Holdings Limited (佳明集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1271).
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules.
“controlling shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules.
“core connected person(s)”	shall have the meaning ascribed to it under the Listing Rules.
“Director(s)”	the director(s) of the Company.
“Earliest Vesting Date”	shall have the meaning ascribed thereto in paragraph 3.5.
“Eligible Participant”	any person who satisfies the eligibility requirement as set out in paragraph 2.3.
“Excluded Participant”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/ or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the Plan is not permitted under the laws and regulations of such place or 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 such person.
“Further Shares”	Shares purchased by the Trustee out of net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the trust constituted by the Trust Deed.
“Gift Contribution”	shall have the meaning as set out in paragraph 4.4.
“Group”	the Company and the Subsidiaries.
“Group Contribution”	shall have the meaning as set out in paragraph 4.2.
“Group Contribution Annual Threshold”	shall have such meaning ascribed thereto in paragraph 4.2(a) in respect of any particular financial year.

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Individual Limit”	has the meaning ascribed to it under paragraph 7.7.
“Listing Committee”	shall have the meaning ascribed to it under the Listing Rules.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
“Other Distributions”	shall have the meaning ascribed thereto in paragraph 5.4.
“Other Schemes”	shall have the meaning ascribed to it under paragraph 7.1.
“Partial Lapse”	shall have the meaning as set out in paragraph 6.3.
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Selected Participant (being an individual), is or are entitled to the Awarded Shares to be vested in such Selected Participant.
“Plan”	the “Share Award Plan” constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 10.
“Plan Period”	the period commencing on the Adoption Date and expiring at the close of business on the tenth (10th) anniversary thereof unless terminated pursuant to provisions of the Plan.
“Principal Subsidiary”	shall have the meaning ascribed to it under Rule 17.14 of the Listing Rules.
“Remuneration Committee”	the remuneration committee of the Company.
“Residual Cash”	being cash remaining in the trust fund in respect of an Awarded Share and a Returned Share (including interest income derived from deposits maintained with licensed banks in Hong Kong, and sale proceeds which have not been applied in the acquisition of Further Shares).

“Retuned Shares”	such Awarded Shares and Other Distributions which are not vested and/or forfeited in accordance with the terms of the Plan (whether as a result of a Total Lapse or a Partial Lapse or otherwise), or was forfeited in accordance with the terms of the Plan, or such Shares being deemed to be Returned Shares.
“Scheme Mandate Limit”	shall have the meaning ascribed to it under paragraph 7.1.
“Selected Participant”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits and as referred to in paragraph 5.6) his Personal Representative.
“Shareholder(s)”	the holder(s) of Share(s).
“Share”	ordinary shares of HK\$0.01 each in the capital of the Company and any other share resulting from any sub-division, consolidation or reclassification of such share, and “Shares” shall be construed accordingly.
“Shares Pool”	shall have the meaning ascribed to it in paragraph 4.1.
“SPV”	shall have the meaning as set out in paragraph 4.2(h).
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Total Lapse”	shall have the meaning as set out in paragraph 6.2.
“Trust Deed”	the trust deed to be executed by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) to be held by the Trustee subject to the terms thereof, as amended from time to time.
“Trustee”	such trustee or trustees as shall be from time to time appointed by the Company for the administration of Shares and other trust fund to be held by the Trustee for the implementation of this Plan pursuant to and in accordance with the terms of the Trust Deed.
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Awarded Shares are transferred to and vested in such Selected Participant pursuant to an Award as referred to in paragraph 5.1.
“Vesting Period”	in relation to any Selected Participant, the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant as referred to in paragraph 4.1 and ending on the Vesting Date (both dates inclusive).

1.2 In this rules:

- (a) the headings are for ease of reference only and shall be ignored in construing these rules of the Plan;
- (b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing one gender include both genders and the neuter and vice versa;
- (e) references to persons include bodies corporate and unincorporated;
- (f) references to “**holding company**” or “**subsidiary**” shall have the respective meaning under sections 13 and 15 of the Companies Ordinance, wherever incorporated;
- (g) references to a “**person**” shall have the respective meaning under section 3 of the Interpretation and General Clauses Ordinance (Chapter 1) of the Laws of Hong Kong;
- (h) 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;
- (i) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same;
- (j) the full text of this document has not been reviewed by any regulatory authority in Hong Kong. The Selected Participants are advised to exercise caution in relation to the Plan and, if in doubt about any of the contents of this document, to obtain independent professional advice; and
- (k) if the Company becomes a Principal Subsidiary of any of its holding companies which is also listed on the Stock Exchange, where the provisions of the Plan require the Plan or any related matters to be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders, such Plan or matters must also be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) of such holding company of the Company in accordance with the Listing Rules.

2. PURPOSE, ADMINISTRATION AND DURATION

2.1 The purpose of the Plan is, through an award of Shares, to:

- (a) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
- (b) to attract suitable personnel for further development of the Group.

- 2.2 The Plan shall be subject to the administration of the Board whose decisions on all matters arising in relation to the Plan 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:
- (a) the powers of the Trustee as provided under the Trust Deed, or
 - (b) the powers of the Remuneration Committee (or such committee or such sub-committee or person(s) delegated with such power and authority by the Board) on recommending and/or deciding (on and subject to the terms and conditions provided under the Plan) the selection of the Selected Participants, the number of Awarded Shares to be awarded to the respective Selected Participants and other related matters as expressly provided under the Plan.
- 2.3 Subject to paragraphs 2.4 and 2.5, the Board may, at its absolute discretion, invite any person belonging to any of the following classes of Eligible Participants, to take up Awards:
- (a) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; and
 - (b) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries.
- 2.4 In determining the eligibility of each Eligible Participant, the Board will consider all relevant factors as appropriate, including, among others:
- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (b) his/her performance, time commitment, responsibilities or employment conditions; and
 - (c) his/her contribution made or expected to be made to the development and growth of the Group.
- 2.5 In assessing whether Awards are to be granted to any Selected Participant, the Board shall take into account various factors, including but not limited to, the individual performance of the Selected Participant, the special skills or technical knowhow possessed by them which is beneficial to the continuing development of the Group, and the contribution which such Selected Participant has brought to the Group's business and development.
- 2.6 A Selected Participant shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Plan and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations 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 Participant to produce such evidence as it may reasonably require for such purpose.
- 2.7 Subject to any early termination provisions pursuant to paragraph 12, the Plan shall be valid and effective commencing on the Adoption Date and for a term of ten (10) years.

3. AWARD OF SHARES

- 3.1 The Board shall, subject to and in accordance with these rules of the Plan, be entitled (but shall not be bound) to, at any time and from time to time within the Plan Period, make an Award out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant) such number of issued Shares, fully paid or credited as fully paid, as the Board shall, subject to paragraph 7, determine pursuant to these rules of the Plan.

No grant of Awards shall be capable of or open for acceptance after the expiry of 10 years from the Adoption Date and thereafter no grant of Awards shall be made.

For the avoidance of doubt:

- (a) until so selected, no Eligible Participant shall be entitled to participate in the Plan;
- (b) the Board shall not make any Award unless and until it has received confirmation from the Trustee or SPV (as the case may be) as to the number of Shares held under the Shares Pool and which are not the subject of any Awards; and
- (c) the number of Awarded Shares to be provisionally awarded by the Board to any Selected Participant (or, where the Board at the same meeting is to consider the making of any Awards to two or more Selected Participants, the total number of Awarded Shares to be provisionally awarded to such Selected participants) shall not exceed the difference between the following:

$$TT - LL$$

where $TT =$ the total number of Shares held under the Shares Pool, and

$LL =$ the aggregate number of (i) Shares which have been provisionally awarded under the Plan and which then remain outstanding, and (ii) Shares which are proposed to be considered and approved at the same meeting to be provisionally awarded to other Selected Participants

- 3.2 Where any grant of Awards is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director) or senior management of the Company, such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

- 3.3 Subject to paragraph 7,

- (a) any grant of Awards to a Selected Participant who is Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Awards);

- (b) where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) 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 total number of issued Shares, such grant of Awards shall be approved by Shareholders in general meeting in the manner as set out in paragraph 3.3(d) below;
- (c) where any grant of 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 Awards and options granted (excluding any Awards and options lapsed in accordance with the rules of the relevant scheme(s) of the Company) 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 total number of issued Shares, such grant of Awards shall be approved by Shareholders in general meeting in the manner as set out in paragraph 3.3(d) below;
- (d) in the circumstances described in paragraphs 3.3(a), (b) and (c) above, the Company shall send a circular to the Shareholders containing such details and information as required under the Listing Rules. The proposed grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular must contain:
 - (i) details of the number and terms of the Awards to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
 - (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
 - (iii) the information required under rule 17.02(2)(c) and rule 2.17 of the Listing Rules.
- (e) any change in the terms of Awards granted to a Selected Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by the Shareholders in the manner as set out in paragraph 3.3(d) above if the initial grant of the Awards requires such approval under the Listing Rules (except where the changes take effect automatically under the existing terms of the Plan);
- (f) the requirements for the grant to a Director or chief executive of the Company as set out in this paragraph 3.3 do not apply where the Selected Participant is

only a proposed Director or a proposed chief executive of the Company; and

- (g) in general, the Company should not grant Awards with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

3.4 Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or Shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

3.5 The Board shall notify the Trustee in writing upon the making of an Award under the Plan and, in the Award Notice, the Board shall specify the following:

- (a) the name, address, identity card (or, as the case may be, passport) number and position of the relevant Selected Participant;
- (b) the number of Awarded Shares provisionally awarded to the relevant Selected Participant pursuant to such Award;
- (c) the earliest date ("**Earliest Vesting Date**") on which the Trustee (or SPV as authorised by the Trustee) may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) to the relevant Selected Participant under paragraph 5.1;
- (d) the condition(s) or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under such Award;
- (e) the lock-up period, if any, of the Awarded Shares transferred to and vested in such Selected Participant under such Award; and
- (f) such other terms and conditions of such Award as may be imposed by the Board as are not inconsistent with these rules of the Plan and the Trust Deed on either the Trustee (with the prior written consent of the Trustee unless the same has already been provided for in the Trust Deed) and the relevant Selected Participant, or any of them before the Awarded Shares may be transferred to and vested in such Selected Participant.

3.6 Unless otherwise determined by the Board and specified in the Award Notice, there is generally no performance target that needs to be achieved before the Awards granted to the Selected Participant nor there is any clawback mechanism for the Company to recover or withhold the Awards granted to any Selected Participant.

The performance targets, if imposed, may be linked to the individual Eligible Participant or the Group as a whole or to a subsidiary, department, division, region, function or business unit, line of business, project or individual key performance indicators, which may include revenue, profits (before or after income tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price, and other targets as the Board may determine

from time to time and assess either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, past or current performance or comparison to internal targets or industry performance, in each case as specified by the Board in their sole discretion.

- 3.7 The Board shall notify the Selected Participant in writing within 3 Business Days (or otherwise determined) after an Award has been provisionally made to such Selected Participant and the notice shall contain substantially the same information as that set out in the Award Notice provided that nothing contained in such notice shall be construed as conferring any rights, interests, benefits and title to and in the Awarded Shares on such Selected Participant before the vesting of the legal and beneficial ownership of such Awarded Shares in the Selected Participant in accordance with these rules of the Plan. An Award shall be deemed to be irrevocably accepted by a Selected Participant unless the Selected Participant shall within five (5) Business Days after receipt of such notice from the Board notify the Company in writing that he would decline to accept such Award.
- 3.8 The Selected Participants shall not be required to bear or pay any price or fee for the acceptance of the grant of the Shares.
- 3.9 For so long as the Shares are listed on the Stock Exchange:
- (a) an Award or, as the case may be, any instruction of the Board to the Trustee (who will authorise SPV, if so established and subsisting) to subscribe or acquire Shares for purpose of increasing the Shares in the Shares Pool (the “**Instruction to Trustee**”) may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until (and including) the trading day after such price sensitive information has been published in accordance with the Listing Rules. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award or, as the case maybe, the Instruction to Trustee may be made. No Award may be granted during any period of delay in publishing a results announcement; and
 - (b) the Board may not make an Award to any Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.
- 3.10 An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so provided that the Selected Participant may assign the Award to a company wholly beneficially owned by the Selected Participant. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant.

Where (i) the Board gives consent in writing (which consent may be given or withheld by the Board at its absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Award held by a grantee may at the request of the grantee be transferred to a related trust or company of the grantee for the benefit of the grantee and any family members of such grantee (for purposes of estate planning or tax planning or such other reasons as the directors of the Company and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of the Scheme and comply with the requirements of Chapter 17 of the Listing Rules. In connection with each application for such consent, the grantee shall (a) provide information on the beneficiaries or discretionary objects of the trust or the ultimate beneficial owners of the transferee vehicle, as well as such other information as may be required by the directors of the Company or the Stock Exchange, and (b) consent to the disclosure of such information in the announcement, circular and/or report to be published by the Company. All provisions of the Plan shall apply, *mutatis mutandis*, to the transferee.

Any breach of the foregoing shall entitle the Company to cancel any outstanding Award or part thereof granted to the relevant grantee. A determination of the Board to the effect that the grantee or the relevant Eligible Participant has or has not breached any of the foregoing shall be conclusive and the Award in question or the relevant part thereof shall be cancelled on a date determined by the Board.

4. POOL OF AWARDED SHARES

- 4.1 Upon the receipt of an Award Notice, the Trustee shall set aside from the Shares Pool the Awarded Shares provisionally awarded to the Selected Participant to whom such Award Notice relates pending the transfer and vesting of the Awarded Shares under the Award to which such Award Notice relates in accordance with paragraph 5. The Trustee (or SPV, if so established and subsisting) shall hold the Awarded Shares so set aside during the Vesting Period on the terms of the Trust Deed. The Trustee may, at any time during the continuation of the Plan and the Trust Deed, set aside the appropriate number of Awarded Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee (or SPV as authorised by the Trustee) pursuant to the Trust Deed (the “**Shares Pool**”) comprising the following:
- (a) such Shares as may be (i) transferred to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) from any person (other than the Group) by way of gift, or (ii) purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) in accordance with paragraph 4.4 by utilising the funds received by the Trustee (or via SPV, if so established and subsisting) from the Gift Contribution, but subject to the limitations set out in paragraph 7;
 - (b) such Shares as may be subscribed or purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) in accordance with paragraph 4.2 by utilising the Group Contribution, but subject to the limitations set out in paragraph 7;
 - (c) such Shares as may be purchased by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) at its discretion pursuant to paragraphs 4.4 or 5.4(b) by utilising any surplus Gift Contribution or, as the case may be, the net proceeds of the sale of the relevant nil-paid rights, options

or warrants;

- (d) such Returned Shares which remain unvested and revert to the Trustee (or via SPV, if so established and subsisting) pursuant to paragraphs 5.4 or 6.

4.2 The following provisions of this paragraph 4.2 shall provide for and govern the subscription and purchase of the Awarded Shares by utilising the funds allocated by the Board out of the Company's resources ("**Group Contribution**"):

- (a) At the beginning of each financial year of the Group, the Board shall (after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and financial performance during the preceding financial year, its business plans and cashflow requirements)) determine the maximum amount of the Group Contribution ("**Group Contribution Annual Threshold**") to be allocated to the Trustee (or via SPV, if so established and subsisting) during such financial year for subscribing or purchasing Shares pursuant to this paragraph 4.2 for the purpose of implementation of the Plan.
- (b) The Group Contribution Annual Threshold shall (and is intended to) be applied to cover (i) the subscription or purchase prices for the Shares to be subscribed or purchased for implementation of the Plan (as the case may be), and (ii) all related expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee, AFRC transaction levy and investor compensation levy and such other necessary expenses) required for the completion of the subscription or purchase of all the Awarded Shares (as the case may be).
- (c) At any time during any particular financial year, the Board, after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future), may from time to time cause to be paid to the Trustee (or SPV, if so established and subsisting and delegated by the Trustee) from the Company's resources such amount of moneys which may be utilised by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) to subscribe for or purchase Shares which will constitute the Shares Pool, provided that the amount of moneys so paid together with any moneys paid for that financial year shall not in any event exceed the Group Contribution Annual Threshold.
- (d) Within 30 Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to the circumstances of the purchase concerned, which extended period of time shall be brought to the attention of SPV (if so established and subsisting) on a concurrent basis)) after receiving the Group Contribution or any proceeds arising from such sales as mentioned in paragraph 5.4(b), the Trustee (or SPV, if so established and subsisting and delegated by the Trustee) shall apply the same towards the purchase of the maximum number of board lots of Shares or the Further Shares, respectively at the prevailing market price. In the event that the Trustee (or, as the case may be, SPV) effects any purchases by off-market transactions, such purchases shall not be made with any connected person, nor shall the purchase price for such purchases be higher than the lower of the following: (i) the closing market price on the date

of such purchase, and (ii) the average closing market price for the five (5) preceding trading days on which the Shares were traded on the Stock Exchange.

- (e) In the event that the Board shall at any time consider it appropriate for the Trustee to subscribe Shares by utilising the Group Contribution, the Board shall notify the Trustee in writing upon the satisfaction of the condition referred to in paragraphs 4.2(i) and, subject to paragraph 3.9(a), the Board shall instruct the Trustee in writing to apply to, and the Trustee shall within ten (10) Business Days after receipt of such instruction apply to, the Company for the allotment and issue of the appropriate number of new Shares at par or at such other subscription price as instructed by the Board.
- (f) If during any financial year:
 - (i) the Group Contributions received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) have been applied for subscription and/or purchases of such number of Shares which reaches the maximum number of issued Shares as provided under paragraph 7.1, if any, and
 - (ii) there are any excess Group Contributions after all the said purchases,

the excess Group Contributions shall be returned by the Trustee (via SPV, if so established and subsisting and authorised by the Trustee) to the Company as soon as reasonably practicable after completion of all such purchases.
- (g) For the avoidance of doubt, Shares subscribed and/or purchased under this paragraph 4.2 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.
- (h) Subject to the provisions of the Trust Deed, the Trustee may establish a special purpose vehicle (“SPV”) for the purpose of the Plan and, subject to the authorisation given by the Trustee to SPV, SPV may purchase Shares to constitute the Shares Pool and to liaise with brokers and/or other parties to effect the above purchases). The composition of the board of Directors of SPV shall be decided by the Trustee after consulting the Board. The Trustee (after consulting the Board) may establish policies, rules and regulations to be followed by SPV in connection with the exercise of the powers as authorised by the Trustee.
- (i) The Directors shall comply with the applicable Listing Rules when allotting and issuing any new Shares under the Plan to the Trustee, provided that the total number of such Shares to be allotted and issued under the Plan shall not exceed the limitations set out in paragraph 7.1 and any allotment and issue of the Awarded Shares by the Company to the Trustee pursuant to this paragraph 4.2 shall only be made after the Listing Committee of the Stock Exchange has granted the listing of and permission to deal in such Shares.

4.3 If any proposed purchase of Shares under paragraph 4.2(d) shall fall on any day on which the Directors are restricted from making any Award or giving any instruction as referred to in paragraph 3.9(a), the Trustee (or SPV, if so established and subsisting) shall not effect the relevant purchase. The Trustee (via SPV, if so established and

subsisting) shall notify the Board in writing at least three (3) Business Days in advance of a proposed date of purchase under paragraph 4.2(d) and the Board shall instruct the Trustee (and concurrently SPV, if so established and subsisting) in writing at least two (2) Business Days prior to such proposed date of purchase if such purchase has to be postponed by reason of this paragraph 4.3, whereupon such purchase shall be postponed to such date as notified by the Board (to the Trustee and SPV (if established and subsisting) in writing (and in case the Shares are not traded on the Stock Exchange on such date, the next Business Day on which the Shares are traded on the Stock Exchange).

4.4 In the event of any Shares or moneys being transferred to the Trustee (via SPV, if so established and subsisting and authorised by the Trustee) by way of gift or for nominal consideration (“**Gift Contribution**”) from any person other than the Group, the following provisions of this paragraph 4.4 shall provide for and govern the purchase of the Awarded Shares by utilising the funds so received and the allocation of the Awarded Shares so received or acquired by funds arising from the Gift Contribution:

- (a) In respect of the making of any award to any Eligible Participants:
 - (i) the provisions in paragraph 3.1 shall be applicable *mutatis mutandis*, except to the extent that the reference as provided under paragraph 3.1 to “paragraph 7.1” for the purpose of prescribing the maximum number of Awarded Shares which may be purchased during each financial year under the Plan shall become reference to “the amount of Gift Contribution actually received by the Trustee (via SPV, if so established and subsisting and authorised by the Trustee)” for the purpose of this paragraph 4.4; and
 - (ii) the provisions in paragraphs 3.2 to 3.10 (both inclusive) shall be applicable *mutatis mutandis*.
- (b) Where the Gift Contribution is received by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) in the form of assets (whether money or otherwise) other than Shares:
 - (i) Within 30 Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time having regard to all the circumstances of the purchase concerned and also the size of the Gift Contribution) after receiving the Gift Contribution, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall apply the relevant Gift Contribution towards the purchase of the maximum number of board lots of Shares at the prevailing market price. In the event that the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) effects any purchases by off-market transactions, such purchases shall not be made with any connected person, nor shall the purchase price for such purchases be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five (5) preceding trading days on which the Shares were traded on the Stock Exchange.
 - (ii) Any surplus Gift Contribution received under this paragraph 4.4 but not fully utilised for purchasing Awarded Shares shall be retained by

the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) and may be applied to purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and shall, if remains unutilised upon the termination of the Plan, be treated and dealt with as Residual Cash.

- (iii) The provisions in sub-paragraphs 4.2(g) shall be applicable *mutatis mutandis*.
- (iv) For the avoidance of doubt, Shares received as Gift Contribution or purchased by using the funds received by way of Gift Contribution under this paragraph 4.4 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.
- (v) The amount of funds to be applied by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee)) for the purpose of purchasing any Shares pursuant to this Paragraph 4.4(b) shall not exceed the total of (a) the amount of money received as Gift Contribution by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee), and (b) (where applicable) proceeds arising from the disposal of the relevant assets (excluding any Shares transferred to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) as Gift Contribution) received as Gift Contribution by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee).
- (c) For the purpose of this paragraph 4.4, the provisions in paragraph 4.3 shall be applicable *mutatis mutandis*.
- (d) Where any Shares are received by the Trustee (via SPV, if so established and subsisting and authorised by the Trustee) as Gift Contribution, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall not sell or dispose of such Shares but shall treat and account for all such Shares as assets in the Shares Pool.

5. VESTING OF THE AWARDED SHARES

5.1 Subject to paragraph 6, the Trustee (or via SPV as authorised by the Trustee) shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award and all the Other Distributions attributable to such Awarded Shares within ten (10) Business Days after the latest of:

- (a) the Earliest Vesting Date as specified in the Award Notice to which such Award relates; and
- (b) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such Selected Participant as specified in the related Award Notice have been attained and notified to the Trustee by the Board in writing.

If the Vesting Date falls on any day on which the Directors are restricted from making

any Award as referred to in paragraph 3.9, the Vesting Date shall be postponed. The Trustee (or SPV) shall notify the Board in writing at least three (3) Business Days in advance of a proposed Vesting Date and the Board shall instruct the Trustee and concurrently SPV (if so established and subsisting) in writing at least two (2) Business Days in advance if such proposed Vesting Date has to be postponed by reason of this paragraph 5.1, whereupon such proposed Vesting Date shall be postponed to such date as notified by the Board to the Trustee (and SPV, if so established and subsisting) in writing.

5.2 Subject to paragraph 5.3, the vesting of any Awards shall be subject to a Vesting Period to be determined by the Board in its absolute discretion, which shall be specified in the Award Notice.

5.3 Only insofar as and for so long as the Listing Rules require, the Vesting Period for an Award to all Eligible Participants under the Plan shall not be less than twelve (12) months, unless the Board and the Remuneration Committee determine in their sole discretion that the Awards granted to Eligible Participants may be less than twelve (12) months under the following specific circumstances:

- (a) grants of “make-whole” Awards to an Eligible Participant who is a new director or employee of the Group to replace the share awards such person forfeited when leaving his previous employer(s);
- (b) grants of Awards to an Eligible Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Awards which are subject to the fulfilment of performance targets as conditions of the Awards;
- (d) grants of Awards made in batches during a year for administrative and compliance reasons;
- (e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; and
- (f) grants of Awards with a total vesting and holding period of more than twelve (12) months,

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

5.4 During the Vesting Period:

- (a) any dividends and other distributions (“**Other Distributions**”) declared and

made in respect of any Awarded Shares shall be held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) for the benefit of, and shall only be payable or transferable (as the case may be) to, the relevant Selected Participant when such Awarded Shares are vested in such Selected Participant in accordance with paragraph 5.1;

- (b) if the Company offers to Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be payable by the Shareholders for such rights, options or warrants, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall sell any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares held by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) if there is an open market for such rights, options or warrants. The net proceeds of such sale (if so sold) shall be applied to purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any nil-paid rights, options or warrants (or the underlying Shares, or the proceeds of sale of any such nil-paid rights, options or warrants) allocated under such offer;
- (c) if the Company offers to the Shareholders new shares or other securities for subscription by way of rights, options, warrants or other open or preferential offer and consideration is required to be paid for the taking up and/or the exercise of such rights, options, warrants or open or preferential offer the Trustee shall (or via SPV, if so established and subsisting and authorised by the Trustee) decline to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer. For the avoidance of doubt, no Selected Participants shall have any right to, or interest in, any such offer;
- (d) without prejudice to sub-paragraph (a) above, with respect to any dividends declared by the Company and in connection with which the Company allows its Shareholders to elect to receive Shares in lieu of cash (as provided for in the relevant announcement and/or circular of the Company), then in respect of the Awarded Shares provisionally set aside for any Selected Participant which have not vested, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) (after consulting the Board) shall have the right (in its absolute discretion) to determine whether it shall elect to receive Shares in lieu of cash or cash in respect of such dividends, and any such scrip dividend or cash dividend so elected and received by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) shall be treated as and constitute Other Distributions referred to in paragraph 5.4(a). For the avoidance of doubt, no Selected Participants shall have any right to give any direction to, or make any claim against, the Trustee in relation to the making of the said election;
- (e) if a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled (as defined in the Hong Kong Code on Takeovers and Mergers) by the offeror and any persons acting in association or concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the offeror), and such offer becomes

or is declared unconditional prior to the vesting of the Awarded Shares in the relevant Selected Participants pursuant to paragraph 5.1, the Board shall have the right in its absolute discretion to determine whether the Trustee shall elect to accept such offer (or any revised offer) and, if applicable, shall direct the Trustee in writing to accept such offer accordingly. For the avoidance of doubt, the Board shall be deemed to have directed the Trustee not to accept that offer (or revised offer) if no direction in writing in relation to that offer (or revised offer) is actually received by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) within ten (10) Business Days after the date of that offer (or revised offer). In the event that the offer (or revised offer) is so elected to be accepted, all proceeds in respect of the Awarded Shares paid or payable to the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) by reason of such acceptance shall be held by the Trustee (via SPV) for the benefit of the relevant Selected Participant, and the same shall only be payable to the relevant Selected Participant on the Vesting Date of the Award relating to such Selected Participant has not lapsed or been cancelled under paragraph 6; and

- (f) if notice is duly given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall be vested in the Selected Participants and the time at which such Awarded Shares shall be vested. If the Board determines that any Awarded Shares shall be vested, it shall promptly notify the Selected Participants and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the Awarded Shares which are to become vested in such Selected Participant to such Selected Participant.

5.5 In respect of a Selected Participant, at any time prior to a Vesting Date:

- (a) died; or
- (b) retired at his normal retirement date; or
- (c) retired at an earlier retirement date (with prior written agreement given by the Company or the Subsidiary),

all the Awarded Shares and the Other Distributions of the Selected Participant shall be deemed to be vested on the day immediately prior to his death or retirement.

5.6 In the event of the death of a Selected Participant, the Trustee (or SPV, if so established and subsisting) shall hold the vested Awarded Shares and the Other Distributions (hereinafter referred to as "**Benefits**") upon trust and to transfer the same to the legal personal representatives of the Selected Participant and subject as aforesaid the Trustee (or SPV, if so established and subsisting) shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within:

- (a) two years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or
- (b) the Trust Period,

(whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Participant, as notified by the Board in writing together with a copy of the death certificate of such Selected Participant or such other documents or evidence of death of such Selected Participant as may be reasonably required by the Trustee, whereupon the Trustee shall be discharged from all duties and liabilities in respect of such Selected Participant or, if the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable and such Benefits (other than such Other Distributions in cash so forfeited which shall be applied to purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) shall be held as Returned Shares for the purposes of the Plan. 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 (or SPV as authorised by the Trustee) in every way as if they had remained part of the trust fund of the trust constituted by the Trust Deed.

6. LAPSE OF AWARDS AND RETURNED SHARES

- 6.1 In the event that any Selected Participant ceases to be an Eligible Participant by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant shall forthwith lapse and be cancelled.
- 6.2 Save as provided in paragraph 5.5, in the event:
 - (a) a Selected Participant ceases to be an Eligible Participant; or
 - (b) the Subsidiary by which a Selected Participant is employed ceases to be a subsidiary of the Company (or of a member of the Group); or
 - (c) 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 or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company)

(each of these, an event of “**Total Lapse**”), the Award shall automatically lapse forthwith and all the Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Plan.

- 6.3 In the event (i) a Selected Participant is found to be an Excluded Participant or (ii) (subject to paragraph 5.5) a Selected Participant fails to return duly executed transfer

documents prescribed by the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) (or such later date as may be determined by the Trustee at its sole and absolute discretion having regard to all relevant circumstances) for the relevant Awarded Shares and the Other Distributions within the stipulated period as provided in or determined in accordance with these rules of the Plan (each of these, an event of “**Partial Lapse**”), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and Other Distributions (other than such Other Distributions in cash which shall be applied to purchase Shares at such time and for such number at the sole discretion of the Trustee for the purpose of satisfying any further Awards by the Board in accordance with paragraph 4.1 and, upon termination of the Plan, shall be treated and dealt with as income of the trust fund under the Trust Deed generally) attributable thereto shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Plan.

6.4 Except in the circumstances as set out in paragraph 5.5 in respect of the death of a Selected Participant or retirement of a Selected Participant at his normal retirement date or earlier by agreement with the Company or the Subsidiary, or a Total Lapse,

(a) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, one (1) month prior to any Vesting Date, the Trustee (or via SPV, if so established and subsisting and authorised by the Trustee) shall send to the relevant Selected Participant (with a copy to the Company) a notice in writing together with such prescribed transfer documents which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and Other Distributions attributable thereto on the relevant Vesting Date; and

(b) subject to the receipt by the Trustee of (i) transfer documents prescribed by the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) and duly signed by the Selected Participant within the period stipulated in the notice in writing referred to in paragraph 6.4(a) hereof, and (ii) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee (via SPV, if so established and subsisting) shall transfer the relevant Awarded Shares and the Other Distributions in respect thereof to the relevant Selected Participant.

6.5 The Trustee (via SPV, if so established and subsisting) shall hold Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the Board shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

7. MAXIMUM NUMBER OF SHARES TO BE PURCHASED, SUBSCRIBED AND/OR ALLOCATED TO SELECTED PARTICIPANTS

7.1 The maximum number of Shares which may be issued in respect of all options and Awards to be granted under the Plan and any other share option scheme(s) and share award scheme(s) of the Company (the “**Other Schemes**”) must not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 7.2 below.

7.2 Options or Awards lapsed in accordance with the terms of the Plan or Other Schemes

will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Awarded Shares to be granted under the Plan and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

- 7.3 The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit set out in paragraphs 7.1 above under the Plan after three (3) years from the Adoption Date or the date of approval by the Shareholders for the last refreshment.
- 7.4 Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (a) any controlling Shareholders and their associates (or if there are no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (b) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the 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 Mandate Limit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- 7.5 The total number of Shares which may be issued in respect of all Awarded Shares to be granted under the Plan (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total issued Shares as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing the number of Awards and options that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- 7.6 The Company may seek separate approval by the Shareholders in its general meeting for granting Awards beyond the Scheme Mandate Limit provided that the Awarded Shares in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Selected Participant who may be granted such Awards, the number and terms of the Awarded Shares to be granted to each Selected Participant, and the purpose of granting Awards to the specified Selected Participants with an explanation as to how the terms of the Awards serve such purpose and all such information as may

be required under the Listing Rules. The number and terms of Awards to be granted to such Selected Participants must be fixed before approval by the Shareholders.

- 7.7 Subject to paragraph 3.3 above, the total number of Shares issued and to be issued upon exercise of the options and Awards granted to each Selected Participant or grantee (including exercised and outstanding options but excluding any options and Awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to and including the date of such grant (the “**Date of Grant**”) shall not exceed 1% of the total issued Shares at the Date of Grant (the “**Individual Limit**”).

Where it is proposed that any grant of Awards to an Selected Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and Awards granted and to be granted to such person (including exercised, cancelled and outstanding options and Awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such grant must be separately approved by the Shareholders in general meeting with such Selected Participant and his/her close associates (or if the Selected Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders disclosing the identity of the Selected Participant or grantee, the number and terms of Awards to be granted (and Awards and/or options previously granted to such Selected Participant in the 12-month period) to such Selected Participant and the information required under the Listing Rules, including but not limited to the purpose of granting Awards to the Selected Participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of Awards to be granted to such Selected Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant.

- 7.8 The maximum numbers set out in paragraph 7.1 above shall be adjusted, in such manner as the Auditors shall certify in writing to the Board to be fair and reasonable in the event of any alteration to the capital structure of the Company in accordance with paragraph 11 below whether by way of consolidation or subdivision of the share capital of the Company but shall not in any event exceed the limits imposed by the Listing Rules. Any such adjustment shall give the grantees the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement.

8. VOTING RIGHTS RE SHARES IN SHARES POOL AND SELECTED PARTICIPANTS HAVING NO RIGHTS

- 8.1 The Trustee nor SPV (if so established and subsisting) shall abstain from exercising the voting rights in respect of any Shares held under the trust constituted by the Trust Deed (including but not limited to any Shares in the Shares Pool, the Awarded Shares, the Further Shares, the Returned Shares, any bonus Shares and scrip Shares).
- 8.2 The Selected Participants shall not have any right to receive any Awarded Shares set aside for them pursuant to paragraph 4 and all Other Distributions attributable thereto unless and until the Trustee (via SPV, if so established and subsisting) have transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms hereof. For the avoidance of doubt:

- (a) a Selected Participant shall only have a contingent interest in the Awarded Shares and the Other Distributions which are referable to him subject to the vesting of such Shares in accordance with paragraph 5.1;
- (b) a Selected Participant shall have no rights in the Residual Cash or any of the Returned Shares;
- (c) no instructions may be given by a Selected Participant to the Trustee (or SPV) in respect of the Awarded Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed;
- (d) a Selected Participant shall have no rights in the balance fractional share of the Other Distributions of an Award and the fractional share arising out of consolidation of Shares (and such Shares shall be deemed as Returned Shares for the purposes of the Plan);
- (e) where a Selected Participant ceases to be an Eligible Participant on the relevant Vesting Date, the award of the Awarded Shares and the Other Distributions in respect of the relevant Vesting Date shall lapse, such Awarded Shares and Other Distributions shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Trustee or SPV; and
- (f) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives of the Selected Participant is made within the period prescribed in paragraph 5.6, and the legal personal representatives of the Selected Participant shall have no claims against the Company or the Trustee or SPV.

8.3 Any Awarded Shares transferred to a grantee by the Trustee in respect of vesting of any Award shall rank *pari passu* in all respects with, and shall have the same voting, dividend and other rights (including those rights arising on the liquidation of the Company) as, the existing fully paid Shares in issue on the date on which those Awarded Shares are transferred after the vesting of the Awards granted and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are transferred, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are transferred.

9. **DISPUTES**

Any dispute arising in connection with the Plan shall be referred to the decision of the Board who shall act as experts and not as arbitrators and whose decisions shall be final, conclusive and binding on all persons who may be affected thereby.

10. **ALTERATION OF THESE RULES OF THE PLAN**

10.1 Subject to paragraph 10.2, the Plan may be altered in any respect by a resolution of the Board.

10.2 The following shall not be carried out except with the prior approval of the Shareholders in general meeting by ordinary resolution:

- (i) any alterations to the terms and conditions of the Plan which are material in nature or any alterations to the provisions of the Plan in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants;
- (ii) any change to the authority of the Board to alter the terms of the Plan; and
- (iii) any alteration to paragraph 10,

provided always that the amended terms of the Plan or the Awards shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

10.3 Any change to the terms of Awards granted to a grantee shall 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), except where the alterations take effect automatically under the existing terms of the Plan.

10.4 Written notice of any amendment to the Plan shall be given to the Trustee.

11. REORGANISATION OF CAPITAL STRUCTURE

11.1 In the event of any alteration to the capital structure of the Company, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (or any other actions which may have an impact on the share capital of the Company, other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments be made to the aggregate number of Shares subject to the Awards so far as unvested, provided that any adjustments made must give the Selected Participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that Selected Participant was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value (if any).

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the Auditors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules, provided that:

- (i) any such adjustments shall give a Selected Participant the same proportion of equity capital, rounded to the nearest whole share, as that to which that Eligible Participant was previously entitled to, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this paragraph (i);
- (ii) any such adjustments shall be made in accordance with the provisions as

stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and

- (iii) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the Auditors in paragraph 11.1 is that of experts and not arbitrators and their certification shall be final and binding on the Company and the grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

- 11.2 If there has been any alteration in the capital structure of the Company as referred to in this paragraph 11, the Company shall, upon receipt of a notice from the grantee, inform the grantee of such alteration and shall either inform the grantee of the adjustment to be made pursuant to the certificate of the Auditors 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 to issue a certificate in that regard in accordance with paragraph 11.

12. TERMINATION

- 12.1 The Plan shall terminate on the earlier of:

- (i) the 10th anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

- 12.2 If, at the date of the termination of the Plan, the Trustee (or SPV, if so established and subsisting and authorised by the Trustee) holds any Shares which has not been set aside pursuant to paragraph 4 in favour of any Selected Participant or retains any unutilised funds received as the Group Contribution or Gift Contribution or otherwise, then the Trustee (or SPV, as the case may be) shall, within 30 Business Days of receiving actual notice of such termination (or such longer period as the Board may otherwise determine), sell such Shares and forthwith after the sale remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

- 12.3 Upon termination of the Plan:

- (a) all the Awarded Shares and the Other Distributions attributable thereto shall become vested on the Selected Participant so referable on the Vesting Date, save in respect of the Total Lapse;
- (b) Returned Shares and such non-cash income remaining in the trust fund (but not constituting to Other Distributions attributable to any particular Selected Participants) shall be sold by the Trustee (or via SPV, if so established and subsisting and authorised by the Board), within 30 Business Days (on which the trading of the Shares has not been suspended) of receiving actual notice of such termination of the Plan (or such longer period as the Board may otherwise

determine);

- (c) Residual Cash, net proceeds of sale referred to in paragraph 12.3(b) hereof and such other funds remaining in the trust constituted by the Trust Deed (after making appropriate deductions in respect of all 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, neither the Trustee nor SPV (if so established and subsisting) may 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 12.3(b) hereof).

12.4 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 Plan.

13. CANCELLATION OF AWARDS

13.1 Awards granted but not vested or lapsed may be cancelled by the Company with the consent of the Eligible Participant.

13.2 Where the Company cancels Awards and grant new Awards to the same grantee, the issue of such new Awards may only be made under the Plan within the limits set out in paragraph 7.1 and the cancelled Shares cannot be added back to replenish the limit set out in paragraph 7.1.

14. MISCELLANEOUS

14.1 These rules of the Plan shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the Plan or any right which he may have to participate in it and the Plan shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of his office or employment for any reason.

14.2 The Company shall bear the costs and expenses of establishing, administering and implementing the Plan (including, for the avoidance of doubt, the Trustee's fees and costs, any transaction levy, investor compensation levy, brokerage, trading fee, trading tariff, stamp duty and any other tax and expenses of whatsoever nature payable on the part of a Selected Participant or the Trustee in respect of any sale, purchase, vesting or transfer of, or subscription for, Shares pursuant to the Plan, but excluding any costs, expenses, levies and taxes which are determined by the Board (in its absolute discretion) to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Selected Participant(s) or otherwise unrelated to the making of the relevant Award under the Plan and which shall be payable by the relevant Selected Participant(s).

14.3 Any notice or other communication between the Company, the Board, any Selected Participant, the Trustee and/or SPV (where applicable) may be given by sending the same by prepaid post or by personal delivery to:

- (a) in the case of the Company or the Board, the principal place of business of the Company in Hong Kong, or the place determined by the Board from time to time;

- (b) in the case of the Trustee or SPV, its principal place of business in Hong Kong or such other address as notified by the Trustee or by SPV to the Company from time to time; and
- (c) in the case of any Selected Participant, his last known address as notified by such Selected Participant to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Group or the Company's principal place of business in Hong Kong from time to time.

14.4 Any notice or other communication:

- (a) if sent by any Selected Participant, shall be irrevocable and shall not be effective until actually received by the Company, the Board, SPV and the Trustee (as the case may be);
- (b) if sent to any Selected Participant shall be deemed to be given or made three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; and five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; and when delivered, if delivered by hand; and
- (c) if sent to the Trustee, shall be irrevocable and shall not be effective until actually received by the Trustee.

14.5 The Plan shall not confer on any person any legal or equitable rights against the Company and the Trustee, or any of them, directly or indirectly or give rise to any cause of action at law or in equity against the Company and the Trustee, or any of them.

14.6 A Selected Participant shall, before accepting an Award and taking the transfer and vesting of the related Awarded Shares and the Other Distributions 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 and the Other Distributions, as the case may be, in accordance with these rules of the Plan. By accepting an Award, the Selected Participant is deemed to have represented to the Company and the Trustee (and, where applicable, SPV) that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Award by a Selected Participant. A Selected Participant shall indemnify the Company and the Trustee and SPV, as the case may be, fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company or the Trustee or SPV, 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 Participant 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 and Other Distributions to and in him as referred to in this paragraph 14.6.

14.7 A Selected Participant 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 Plan, acceptance of any Award made hereunder, and taking the transfer and vesting of the related Awarded Shares to and in him, or any of the foregoing.

14.8 The Trustee may rely on the Award Notices and instructions and directions in writing, or any of them, given to it by the Directors (or any one or more of them) from time to

time under the Plan, 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 Plan and the Trust Deed.

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

15. CONDITIONS PRECEDENT

The Plan shall take effect upon satisfaction of the following conditions:

- 15.1 the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the Plan and to authorise the Directors to grant Awards hereunder and to allot, issue and deal with Shares pursuant to the Awards granted under the Plan; and
- 15.2 the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the Awards granted under the Plan, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the Plan shall forthwith determine and any Awards granted or agreed to be granted pursuant to provisions of the Plan and any Award Notice shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Plan or any Award.

16. GOVERNING LAW

- 16.1 The Plan shall operate subject to the Articles and any applicable law of the Cayman Islands (being the place of incorporation of the Company).
- 16.2 The Plan shall be governed by and construed in accordance with the laws of Hong Kong.

**** End of these rules of the Plan ****