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**HUMAN HEALTH HOLDINGS LIMITED**  
(Incorporated in Cayman Islands with limited liability)

**SHARE AWARD SCHEME**

Adopted by resolution of the shareholders of  
Human Health Holdings Limited dated\_\_\_\_\_

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**WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Awards. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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## **1. DEFINITIONS AND INTERPRETATION**

- 1.1. In this Scheme, except where the context otherwise requires, the following expressions have the following meanings:

<b>“Adoption Date”</b>	[*] 2023, being the date on which this Scheme is adopted and approved by the Shareholders in general meeting;
<b>“Articles of Association”</b>	the articles of association of the Company as amended and/or restated from time to time;
<b>“associate(s)”</b>	shall have the meaning ascribed to it in the Listing Rules;
<b>“Award”</b>	an award granted by the Board or the Committee to a Grantee of a conditional right for such Grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or the Committee may in its absolute discretion determine;
<b>“Award Share(s)”</b>	in respect of a Grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the Committee, and as may be issued as new Shares or acquired through on-market or off-market purchases of Shares (as the case may be), in accordance with the terms of this Scheme;
<b>“Board”</b>	the board of Directors of the Company;
<b>“Business Day”</b>	a day on which the Stock Exchange is open for the business of dealing in securities;
<b>“chief executive”</b>	shall have the meaning ascribed to it in the Listing Rules;
<b>“close associate(s)”</b>	shall have the meaning ascribed to it in the Listing Rules;
<b>“Committee”</b>	the person(s) from time to time delegated by the Board, whom may be directors or senior managers of a Group Company, with the power and authority to administer the Scheme in accordance with the terms of this Scheme;
<b>“Company”</b>	Human Health Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1419);
<b>“connected person”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“core connected person”</b>	shall have the meaning ascribed to it under the Listing Rules;
<b>“Director(s)”</b>	the director(s) of the Company for the time being;

<b>“Disability”</b>	a disability, whether temporary or permanent, partial or total as determined by the Board or the Committee in its absolute discretion;	
<b>“Eligible Participant”</b>	<p>any person belonging to the following classes of participants:</p> <ul style="list-style-type: none"> <li>(a) any director of a Group Company;</li> <li>(b) any employee (whether full time or part time) of a Group Company (“<b>Employee(s)</b>”);</li> <li>(c) any director or employee of any holding company or fellow subsidiary or associated company of the Company (“<b>Related Entity Participant</b>”);</li> <li>(d) (a) (i) any medical or dental practitioner or (ii) medical or dental professional, in each case, who provides medical and healthcare services to the customers of the Group; or (b) any service provider who provides medical and healthcare related advisory services to the Group; and in each case, as an independent contractor, adviser or consultant (whether directly engaged by the Group or through his/her service company) and provides services to the Group on a continuing or recurring basis in his/her/its ordinary and usual course of business which are in the interests of the long-term growth of the Group (“<b>Service Provider(s)</b>”),</li> </ul> <p>and, for the purposes of the Scheme, the Awards may be made to any company owned by one or more of the above participants or any trust which the settlor is the above participant, however, no individual who is resident in a place where the grant of the Award, the vesting of the Award and/or the transfer or subscription of Award Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Committee or (where applicable) the Trustee, compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Participant(s);</p>	LR17.03(2) LR17.03A
<b>“Grant Notice”</b>	shall have the meaning as set out in paragraph 3.5;	
<b>“Grantee”</b>	any Selected Participant who has accepted the offer of the grant of an Award in accordance with the terms of this Scheme or, where the context so permits, any person entitled to any such Award in consequence of the death of the original Grantee or the legal personal representative of such person;	

<b>“Group”</b>	the Company and its Subsidiaries from time to time, and <b>“member of the Group”</b> and <b>“Group Company(ies)”</b> shall be construed accordingly;
<b>“Group Contribution”</b>	has the meaning as ascribed to it in paragraph 4.1(b);
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
<b>“Misconduct”</b>	in respect of a Grantee, any of the following: <ul style="list-style-type: none"> <li>(i) an act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment, provision of service or contractual engagement with any member of the Group and whether or not it has resulted in his employment, provision of service or contractual engagement being terminated by the relevant member of the Group;</li> <li>(ii) material non-compliance with the terms of his employment contract, service contract or other contract with any member of the Group or disobedience of any orders or instructions given by any member of the Group, as the case may be;</li> <li>(iii) where the Grantee has been declared bankrupt or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable laws, rules or regulations;</li> <li>(iv) where the Grantee has become otherwise insolvent or has made any arrangements or compositions with his creditors generally or an administrator has taken possession of any of his assets;</li> <li>(v) where the Grantee has been convicted of any criminal offence involving his, her or its integrity or honesty;</li> <li>(vi) where the Grantee has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; or</li> <li>(vii) where the Grantee has, in the sole opinion of the Board or the Committee, conducted himself in any</li> </ul>

manner whatsoever to the detriment of or prejudicial to the interests of any member of the Group;

<b>“Other Distributions”</b>	shall have the meaning ascribed to it in paragraph 9.1;
<b>“Partial Lapse”</b>	shall have the meaning as set out in paragraph 6.2;
<b>“Scheme”</b>	this share award scheme constituted by the rules hereof, in its present form or as may be altered from time to time in accordance with paragraph 11;
<b>“Scheme Mandate Limit”</b>	shall have the meaning ascribed to it in paragraph 8.1;
<b>“Selected Participant”</b>	any Eligible Participant selected by the Board or the Committee in its absolute discretion to be offered with the grant of an Award pursuant to this Scheme;
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
<b>“Shareholder(s)”</b>	the holder(s) of Share(s);
<b>“Shares”</b>	ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company, or if there has been a sub-division, consolidation, re-classification or re-construction or reduction or reorganisation of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction or reduction or reorganisation;
<b>“Shares Pool”</b>	shall have the meaning ascribed to it in paragraph 4.1;
<b>“Share Schemes”</b>	collectively, the share option schemes and share award schemes involving the grant of or options over Shares adopted or to be adopted by the Company from time to time;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary”</b>	any subsidiary (as such term is defined in the Listing Rules) of the Company;
<b>“Total Lapse”</b>	shall have the meaning as set out in paragraph 6.1;
<b>“Trust Deed”</b>	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of this Scheme;

<b>“Trustee”</b>	the trustee as may be appointed by the Company from time to time for the administration of this Scheme pursuant to paragraph 2.5;
<b>“Vesting Date”</b>	in relation to an Award granted to a Grantee, the date or each such date, as determined by the Board or the Committee pursuant to paragraph 5.1, on which the Award is to be vested in such Grantee in respect of all or a proportion of the Award Shares, subject to and in accordance with the terms and conditions of the relevant Award and paragraph 5.3 and other rules of the Scheme;
<b>“Vesting Notice”</b>	shall have the meaning as set out in paragraph 5.2; and
<b>“Vesting Period”</b>	in relation to an Award granted to a Grantee, the period commencing on the date of the Grant Notice and ending on the Vesting Date (both dates inclusive).

1.2. In these rules:

- (A) the headings are for ease of reference only and shall be ignored in construing these rules of the Scheme;
- (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 or the neuter include both genders and the neuter and vice versa;
- (E) references to persons include individual, bodies corporate and unincorporated associations;
- (F) references to any statutory or regulatory provisions (including the Listing Rules) or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and
- (G) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

## 2. **PURPOSE, ADMINISTRATION AND DURATION**

2.1. The purpose of the Scheme is to:

LR17.03(1)

- (a) recognise and reward certain Eligible Participants for their contribution and continuing efforts to promote the growth and development of the Group;
- (b) give incentives to certain Eligible Participants in order to retain them for the continual operation and development of the Group and align the interests of the Eligible Participants with those of the Group;

- (c) attract suitable personnel to contribute to the continual operation and further development of the Group;

in each case, through ownership of the Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares.

- 2.2. The Scheme shall be subject to the administration of the Board whose decisions on all matters (save for those specifically reserved for determination by Shareholders in accordance with the Listing Rules) arising in relation to the Scheme or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby.
- 2.3. The Board may delegate the authority to administer this Scheme to the Committee or appoint one or more persons, entities or contractors (including without limitation the Trustee) to assist in the administration of this Scheme and delegate such powers and/or functions relating to the administration of this Scheme as the Board thinks fit.
- 2.4. For the avoidance of doubt, the Committee shall have powers of recommending and/or deciding (on and subject to the terms and conditions provided under this Scheme) the selection of the Selected Participants, the terms and conditions of the Awards to be granted under the Scheme from time to time (including but not limited to the number of Award Shares underlying the Awards, the consideration for the grant of the Awards, the Vesting Dates, vesting criteria, performance targets, and other terms and conditions), and other related matters as expressly provided under this Scheme or in accordance with the Listing Rules or other applicable laws, rules and regulations. In the event that a Selected Participant or Grantee is a member of the Board, such person may, notwithstanding his own interest but subject to the Articles of Association and the applicable laws, rules and regulations, vote on any resolution of the Board or the Committee concerning this Scheme (other than in respect of the grant or vesting of any Award to or in him under this Scheme).
- 2.5. The Board may also, from time to time and in its absolute discretion, appoint any Trustee to assist with the administration and vesting of the Awards granted pursuant to this Scheme.
- 2.6. To satisfy the Awards after vesting, the Company may, as determined by the Board or the Committee in its absolute discretion:
  - (a) allot and issue new Shares to the Grantee directly; and/or
  - (b) allot and issue new Shares to the Trustee, and/or instruct the Trustee to acquire existing Shares through on-market or off-market purchases in accordance with the Company's instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting,

provided that (i) the Trustee holding unvested Shares under this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given; and (ii) to the extent any new Shares will be allotted and issued by the Company to satisfy any Award after vesting, such allotment and issue shall be subject to and conditional upon the granting of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such number of new Shares which may fall to be allotted and issued. LR17.05A

- 2.7. A Selected Participant or Grantee shall ensure that the acceptance, vesting and holding of any Award, and the transfer, subscription or holding of Award Shares (as the case may be), under the Scheme and the exercise of all rights attaching thereto are valid and comply with all laws,



rules and regulations including the Listing Rules and all applicable exchange control, fiscal and other laws to which he is subject. The Board or the Committee may, as a condition precedent of making an Award, require any Selected Participant or Grantee to produce such evidence as it may reasonably require for such purpose.

- 2.8. Subject to the fulfilment of the condition set out in paragraph 14 and the termination provisions under paragraph 12, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date and ending on the tenth (10th) anniversary of the Adoption Date. LR17.03(11)

### **3. GRANT OF AWARDS**

- 3.1. The Board or the Committee shall, subject to and in accordance with these rules of the Scheme, be entitled (but shall not be bound) to, at any time during the term of the Scheme, make an offer of the grant of an Award to any of the Eligible Participants as the Board or the Committee may in its absolute discretion select. For the avoidance of doubt, until so selected, no Eligible Participant shall be entitled to participate in the Scheme.
- 3.2. The Board or Committee shall determine the eligibility of any Eligible Participant in their absolute discretion, from time to time, on the basis of the Board's or the Committee's opinion as to matters including but not limited to the Eligible Participant's contribution and/or future contribution to the development and growth of the Group. LR17.03(2)  
LR17.03A
- 3.3. In assessing the eligibility of any director of a Group Company or Employee, the Board or the Committee may consider, among other things, such Eligible Participant's individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment or engagement with the Group, contribution and/or future contribution to the development and growth of the Group. In assessing the eligibility of any Related Entity Participant, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.
- 3.4. In assessing the eligibility of any Service Provider and whether such Service Provider provides services on a continuing or recurring basis in his, her or its ordinary and usual course of business, the Board or the Committee shall consider all relevant factors as appropriate, including, among others, LR17.03A(2)
- (a) the types of services the Service Provider had performed or will perform for the Group or for customers of the Group;
  - (b) the individual performance of the Service Provider;
  - (c) the relevant experience or expertise of the Service Provider;
  - (d) the period of service or engagement to the Group by the Service Provider; and
  - (e) the Service Provider's contribution and/or future contribution to the development and growth of the Group;
  - (f) other factors, including but not limited to the capability, expertise, technical know-how and/or the synergy between the relevant Service Provider and the Group.
- 3.5. After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Scheme, the Board or the Committee, acting through the

Company, shall notify the Selected Participant of such offer by a written notice (the “**Grant Notice**”) and the Board or the Committee shall specify the following in the Grant Notice:

- (A) the name, address and identity card (or, as the case may be, passport) number of the relevant Selected Participant;
- (B) the number of Award Shares underlying the Award to be granted to the relevant Selected Participant;
- (C) where determined by the Board or the Committee contrary to paragraph 3.7, the amount payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or any loans for such purposes must be repaid;
- (D) the Vesting Date as determined in accordance with paragraph 5.1 on which the Award may be vested in the relevant Selected Participant in respect of all or a proportion of the Award Shares;
- (E) the condition(s) or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Award Shares may be transferred to and vested in such Selected Participant under such Award; LR17.03(7)
- (F) such lock-up periods or restrictions on disposal (if any) of the Award Shares as the Board or the Committee may, in its absolute discretion, determine; and
- (G) such other terms and conditions of the Award as may be imposed by the Board or the Committee which are not inconsistent with these rules of the Scheme before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

The Grant Notice will require the Selected Participant to undertake to hold the Award on the terms on which it is granted and to be bound by the provisions of this Scheme.

- 3.6. The condition(s) or performance target(s) that must be attained by the relevant Selected Participant before any of the Award Shares may be transferred to and vested in such Selected Participant under such Award shall be determined by the Board or the Committee at its sole and absolute discretion and specified in the Grant Notice. The conditions(s) or performance target(s), if imposed, may include without limitation (i) individual financial targets such as revenue or profits generated by the Selected Participants over a defined period; (ii) individual non-financial targets relevant to the Selected Participant’s roles and responsibilities; (iii) financial targets of the Group, whether on a targeted or comparative basis; (iv) non-financial targets of the Group such as the Group’s strategic objectives, operational targets and plans for future development; and (v) any other performance targets that the Board or the Committee may appropriately determine in their sole and absolute discretion. For the avoidance of doubt, the Board or the Committee may, at its sole and absolute discretion, specify that no condition(s) or performance target(s) are required to be attained by the relevant Selected Participant before any of the Award Shares may be transferred to and vested in such Selected Participant under such Award. LR17.03(7)
- 3.7. A Selected Participant may accept an offer of the grant of the Award made by way of the Grant Notice in the manner set out in the Grant Notice and within ten (10) Business Days from the date of the Grant Notice (unless otherwise specified in the Grant Notice). Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted LR17.03(8)

pursuant to the Grant Notice, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. Upon acceptance of an offer of the Award in accordance with the terms of the Award and this Scheme, the Selected Participant becomes a Grantee under this Scheme.

- 3.8. An Award shall be deemed to be unconditionally declined and rejected in its entirety by a Selected Participant unless such Selected Participant shall have notified the Company that he would accept such Award in accordance with paragraph 3.7 and the terms of the Grant Notice. Nothing contained in the Grant Notice shall be construed as conferring any rights, interests, benefits and title to and in the Award Shares on any Selected Participant before the acceptance of the relevant Award by, the vesting of the relevant Award in, and the allotment and issue or transfer (as the case may be) of the Award Shares to such Selected Participant, which shall in each case be subject to and in accordance with the terms and conditions of the relevant Award and these rules of the Scheme.

- 3.9. For so long as the Shares are listed on the Stock Exchange:

- (A) an Award may not be made or granted, or (where applicable) any instruction of the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made or given, when inside information (as defined under Part XIVA of the SFO) has come to the Company's knowledge until (and including) such inside information has been announced in accordance with the Listing Rules and the SFO. In particular, no Award may be granted during the period commencing one (1) month immediately before the earlier of: LR17.05

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

and ending on the date of the results announcement. The period during which no Award may be granted will cover any period of delay in publishing a results announcement;

- (B) the Board or the Committee may not grant any Award to any Director or any Eligible Participant, or (where applicable) the Board or the Committee may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool, 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. 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 may be granted and (where applicable) no instruction may be given by the Board or the Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

- (C) the grant of an Award to any connected person of the Company shall be subject to paragraph 8.2 and compliance with the applicable requirements under the Listing Rules, including where necessary the prior approval of the Shareholders.

- 3.10. An Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee 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 any interests or benefits pursuant to the Award, nor shall any Grantee enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Grantee shall entitle the Company to cancel the Award made to such Grantee. LR17.03(17)

#### **4. SATISFACTION OF AWARD AND SHARES POOL**

- 4.1. In order to satisfy any Award to be granted under the Share Award Scheme from time to time, a Shares Pool (“**Shares Pool**”) shall comprise the following:

- (a) issued Shares as may be allotted or issued to the Grantee directly subject to (i) grant of listing of and permission to deal in such Shares by the Stock Exchange, and (ii) compliance with the applicable requirements under the Listing Rules;
- (b) issued Shares as may be subscribed by the Trustee by utilising the funds allocated by the Board out of the Company’s resources (“**Group Contribution**”), subject to (i) grant of listing of and permission to deal in such Shares by the Stock Exchange; and (ii) compliance with the applicable requirements under the Listing Rules;
- (c) issued Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the Group Contribution; or
- (d) issued Shares which remain unvested and revert to the Trustee due to the lapse of the Award,

and in any event, the Shares to be allotted or issued to the Grantee, or as the case may be, subscribed by the Trustee, shall not be allotted or issued below the then nominal value of the Shares or in contravention of the Articles of Association.

- 4.2. In the event that the Board or the Committee may from time to time, in its absolute discretion, determine to satisfy any Award in accordance with paragraph 4.1(b) and (c) above through the Trustee, upon the receipt of a Grant Notice, the Trustee shall set aside from the Shares Pool the Award Shares provisionally awarded to the Selected Participant to whom such Grant Notice relates pending the transfer and vesting of the Award Shares under the Award to which such Grant Notice relates in accordance with paragraph 5. The Trustee shall hold the Award 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 Scheme and the Trust Deed, set aside the appropriate number of Award 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 pursuant to the Trust Deed.

- 4.3. If a Trustee is appointed, the following provisions of this paragraph 4.3 shall provide for and govern the purchase of and/or subscription for the Award Shares by utilising the Group Contribution:

- (A) At any time during any particular financial year, the Board or the Committee, 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 from the Company’s resources such amount of moneys which

may be utilised by the Trustee to purchase and/or subscribe for Shares which will constitute the Shares Pool.

- (B) Within thirty (30) Business Days on which the trading of the Shares has not been suspended (or such longer period as the Trustee and the Board or the Committee may agree from time to time having regard to the circumstances of the purchase concerned) after receiving the Group Contribution, the Trustee shall apply the same towards the purchase of the maximum number of board lots of Shares, at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board or the Committee). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not 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.
- (C) Where any Award is specified to be satisfied by an allotment and issue of new Shares to the Trustee, such allotment and issue should only be made upon fulfilment of the following conditions:
  - (a) the Company having obtained Shareholders' approval in general meeting under general mandate 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 this Scheme shall not exceed the limit specified in paragraph 8; and
    - (ii) where there are any other requirements applicable to an Award to any Selected Participant under the Listing Rules from time to time, such requirements shall be complied; and
  - (b) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Shares which may be allotted and issued by the Company to the Trustee pursuant to this Scheme.
- (D) Where any Award is proposed to be satisfied by an allotment and issue of new Shares to the Trustee, the Board or the Committee shall notify the Trustee in writing upon the satisfaction of the conditions referred to in paragraphs 4.3(C)(a) and (b) and, subject to paragraph 4.4, the Board or the Committee shall instruct the Trustee in writing to apply to, and the Trustee shall within ten (10) Business Days after actual receipt of such instruction apply to, the Company for the allotment and issue of the appropriate number of new Shares. If the conditions referred to in paragraphs 4.3(C)(a) and (b), or any of them, cannot be satisfied, the Board or the Committee shall forthwith notify and instruct the Trustee and pay or procure to be paid the Group Contribution to the Trustee. Upon the receipt of the instruction and Group Contribution from the Company, the Trustee shall, subject to paragraph 4.4, satisfy any shortfall, actual or contingent, in the Award Shares by purchasing the relevant number of Shares on the Stock Exchange in accordance with paragraph 4.3(B), and where there are any other requirements applicable under the Listing Rules from time to time, such requirements shall be complied with.
- (E) If:
  - (i) the Group Contributions received by the Trustee have been applied for purchases of and/or subscriptions for such number of Shares which reaches the maximum number of issued Shares as provided under paragraph 8; or

- (ii) there are any excess Group Contributions after all the said purchases and/or subscription,

the excess Group Contributions shall be returned by the Trustee to the Company as soon as reasonably practicable after completion of all such purchases and/or subscription.

- (F) For the avoidance of doubt, Shares purchased and/or subscribed for under this paragraph 4.3 shall form part of the capital of the trust fund of the trust constituted by the Trust Deed.

- 4.4. If any proposed purchase of or, as the case may be, subscription for Shares under paragraph 4.3 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, (if applicable) the Trustee shall not effect the relevant purchase and/or subscription. The Trustee shall notify the Board or the Committee in writing at least three (3) Business Days in advance of a proposed date of purchase and/or subscription under paragraph 4.3 and the Board or the Committee shall instruct the Trustee in writing at least two (2) Business Days prior to such proposed date of purchase and/or subscription if such purchase and/or subscription has to be postponed by reason of this paragraph 4.4, whereupon such purchase and/or subscription shall be postponed to such date as notified by the Board or the Committee 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).

## **5. VESTING OF AWARDS**

- 5.1. The Board or the Committee may from time to time, in its absolute discretion, determine the Vesting Date upon which the Award may be vested in that Grantee in respect of all or a proportion of the Award Shares. The Vesting Period in respect of any Award shall be not less than twelve (12) months (or such other period as the Listing Rules may prescribe or permit), save for any of the following circumstances in which a shorter Vesting Period may be imposed by the Board or the Committee in its absolute discretion in relation to grant of the Awards to directors of Group Companies or Employees: LR17.03(6)  
LR17.03F
- (A) grants of “make whole” Awards to directors of Group Companies or Employees who are new joiners to replace the share awards or options forfeited when leaving the previous employer;
  - (B) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;
  - (C) grants of Awards to directors of Group Companies or Employees whose employment or engagement is terminated due to retirement (including early retirement agreed with the relevant member of the Group), death, Disability or event of force majeure;
  - (D) grants of Awards in batches during a year for administrative or compliance reasons, including Awards that should have been granted earlier but had to wait for a subsequent batch if not for such administrative or compliance reasons, in which case the Vesting Period may be shorter to reflect the time from which the Awards would have been granted;
  - (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; or

- (F) grants of Awards with a total vesting and holding period of more than twelve (12) months.
- 5.2. Subject to the fulfilment of the requirements set out in paragraph 5.3 and the terms of the Vesting Notice (as defined below), within a reasonable time after the vesting conditions have been reached, fulfilled, satisfied or waived and prior to the Vesting Date of an Award as set out in the related Grant Notice, the Board or the Committee, acting through the Company, shall notify the Grantee in writing by notice (the “**Vesting Notice**”) in respect of the intended vesting of such number of Award Shares underlying the Award as determined by the Board or the Committee in its absolute discretion. The Board or the Committee has the absolute discretion to determine whether and to what extent such vesting conditions or performance targets have been reached, fulfilled, satisfied or waived and its decision shall, in the absence of manifest error, be final, conclusive and binding.
- 5.3. Upon the Grantee’s receipt of the Vesting Notice, the Grantee shall (i) duly execute and return the reply slip attached to the Vesting Notice and any transfer or subscription documents prescribed by the Board or the Committee for the relevant Award Shares; and (ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares, in each case in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), failing which the corresponding portion of the Award Shares underlying the Awards shall automatically lapse forthwith in accordance with paragraph 6.2.
- 5.4. Subject to paragraph 5.5, within ten (10) Business Days (unless otherwise specified in the Vesting Notice) from the date of receipt by the Company of (i) the reply slip attached to the Vesting Notice duly executed by the Grantee; (ii) the transfer or subscription documents as prescribed by the Board or the Committee for the relevant Award Shares and duly executed by the Grantee; and (iii) the payment of consideration, if any, for the transfer or subscription of the relevant Award Shares, Awards which have been vested in accordance with paragraph 5.3 shall be satisfied in any of the following manner as determined by the Board or the Committee in its absolute discretion:
- (A) the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Grantee; and/or
- (B) where applicable, the Company allotting and issuing the relevant number of new Shares, fully paid or credited as fully paid, to the Trustee, and/or instructing the Trustee to acquire the relevant number of existing Shares through on-market or off-market purchases in accordance with the Company’s instructions and subject to the terms and conditions of the Trust Deed (if any), such new and/or existing Shares to be held by the Trustee on trust for the Grantee and to be transferred to the Grantee after vesting.
- 5.5. If the Board or the Committee in its absolute discretion determines that it is not practicable for the Grantee to receive the Award Shares underlying the Award or for the Company or (if applicable) the Trustee to satisfy the Award due to applicable legal or regulatory restrictions (including without limitation the Listing Rules, the SFO and the requirements prescribed by the Stock Exchange from time to time), the allotment and issue or transfer (as the case may be) of the Award Shares shall be postponed and shall take place as soon as possible after the date that the Board or the Committee subsequently determines that it will be practicable to proceed with the satisfaction of the Award. Without prejudice to the generality of the foregoing, if the Company, (if applicable) the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules, the SFO or any other applicable laws, regulations or rules within the applicable prescribed period, the date on which the relevant Shares shall be allotted and issued or transferred (as the case may be) to the Grantee or (if applicable) the Trustee shall

occur as soon as possible after the date when such dealing is permitted by the Listing Rules, the SFO or any other applicable laws, regulations or rules.

5.6. During the Vesting Period:

- (A) in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled;
- (B) if the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled or has not been waived by the Board or the Committee, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (C) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to sub-paragraph 5.6(D) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the Vesting Date of any Award, the Board or the Committee shall, prior to the offer becoming or being declared unconditional, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (D) if a general offer for the Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the Vesting Date of any Award, the Board or the Committee shall, prior to such meetings, determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (E) if a compromise or arrangement (other than a scheme of arrangement contemplated in sub-paragraph 5.6(D) above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (F) if a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any Award, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;

LR17.03(7)



- (G) where an Award is made to a Grantee of a Subsidiary and there is a change of ownership or control in such entity such that it is no longer a Subsidiary, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules;
- (H) if a Grantee's employment or engagement with the Company or any other member of the Group is terminated by reason of retirement, death or Disability, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules.

## 6. **LAPSE OF AWARDS**

### 6.1. In the event that:

- (A) any Grantee ceases to be an Eligible Participant (including resignation, the termination of his employment, provision of service or contractual engagement with the Company or any other member of the Group for any reason, other than for reason as provided in paragraph 5.6(H)); LR17.03(12)
- (B) any Grantee makes any attempt or takes any action to sell, transfer, assign, 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 any Award or any interests or benefits pursuant to the Award;
- (C) any Grantee commits any Misconduct(s);
- (D) any Grantee is concerned, during the course of his employment, provision of service or contractual engagement with any member of the Group, without prior written consent of the Company, with any business which competes or is likely to compete with the business of any member of the Group; or
- (E) there is any material misstatement(s) in the consolidated financial statements of the Company that requires restatement,

(each of these, an event of “**Total Lapse**”), all unvested Awards to such Grantee shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of those unvested Awards, the Award Shares underlying such unvested Awards or any right thereto or interest therein in any way.

### 6.2. In the event that:

- (A) the vesting conditions are not, in the sole opinion of the Board or the Committee, satisfied in respect of the relevant part of the Award and no waiver of such condition is granted as prescribed in paragraph 5.2; or
- (B) a Grantee fails to, in the manner and within the period stipulated in the Vesting Notice (or such later date as may be determined by the Board or the Committee in its absolute discretion having regard to all relevant circumstances), (i) duly execute and return the reply slip attached to the Vesting Notice or any transfer or subscription documents prescribed by the Board or the Committee in respect of the relevant Award Shares; or

(ii) pay the consideration (if any) for the transfer or subscription of the relevant Award Shares; LR17.03B(2)

(each an event of “**Partial Lapse**”), the relevant part of the Award in respect of which any event of Partial Lapse has occurred shall automatically lapse forthwith upon the determination by the Board or the Committee that such event has occurred, and the relevant Award Shares shall not vest on the relevant Vesting Date, and such Grantee shall have no right or claim whatsoever against the Company, any other member of the Group, the Board or the Committee in respect of such Award, the relevant Award Shares underlying such Award or any right thereto or interest therein in any way.

- 6.3. The Awards lapsed in accordance with these rules of the Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. The Board or the Committee has the absolute discretion to determine whether, when and to what extent an event of Total Lapse or Partial Lapse has occurred, and its decision is final, conclusive and binding. Note 1 to LR17.03(B)
- 6.4. Save for as set out in paragraph 6.1 and 6.2, unless otherwise determined by the Board or Committee, there is no clawback mechanism under this Scheme to recover or withhold the remuneration (which may include any Awards granted or Award Shares that have vested and been transferred to Eligible Participants) to any Eligible Participants. LR17.03(19)

## **7. CANCELLATION OF AWARDS**

- 7.1. Subject to Chapter 17 of the Listing Rules, the Board or the Committee may in its absolute discretion cancel all or such proportion of the Awards granted but unvested, provided that: LR17.03(14)
- (A) the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Board or the Committee, after consultation with the auditors of the Company or an independent financial adviser appointed by the Board or the Committee;
  - (B) the Company or any other member of the Group provides to the Grantee a replacement Award (or a share option or share award under any other Share Scheme(s)) of equivalent value to the Award to be cancelled; or
  - (C) the Board or the Committee makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Awards.
- 7.2. Where the Company cancels any Awards granted to a Grantee and makes a new grant (whether under this Scheme or any other Share Scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Note to LR17.03(14)

## **8. SCHEME MANDATE LIMIT AND MAXIMUM ENTITLEMENT OF EACH GRANTEE**

- 8.1. The aggregate maximum number of Shares (“**Scheme Mandate Limit**”) which (i) may be issued or allotted by the Company in respect of all the Awards to be granted under this Scheme and all the share options and share awards to be granted under any other Share Scheme(s); and (ii) where applicable, to be subscribed for and/or purchased by the Trustee by applying the Group Contribution pursuant to paragraph 4.3 for the purpose of the Scheme, shall not in aggregate exceed ten per cent (10%) of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. The aggregate maximum number of Shares (“**Service Provider Sub-limit**”) which (i) may be issued LR17.03(3)  
LR17.03B(1)

or allotted by the Company in respect of all the Awards to be granted to all Service Providers pursuant to this Scheme and all the share options and share awards to be granted to all Service Providers under any other Share Scheme(s) ; and (ii) where applicable, to be subscribed for and/or purchased by the Trustee by applying the Group Contribution pursuant to paragraph 4.3 for the purpose of this Scheme, shall not exceed eight per cent (8%) of the total number of issued Shares as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sub-limit. The Board or the Committee shall not instruct the Trustee to subscribed for and/or purchase any Shares for the purpose of the Scheme when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sub-limit being exceeded.

- 8.2. Any grant of Awards to any Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of the Award). In addition: LR17.04(1)

(A) where any grant of Awards to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all the Awards granted under this Scheme and (if any) the share awards granted under any other Share Scheme(s) (excluding any Awards and any other share awards lapsed in accordance with the terms of the Share Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares as at the date of such grant; or LR17.04(2)

(B) where any grant of Awards to an independent non-executive Director or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and (if any) the share options and other share awards granted under any other Share Scheme(s) (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares as at the date of such grant, LR17.04(3)

such further grant of Awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company must send a circular to the Shareholders. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting. The Company must comply with the relevant requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. LR17.04(4)

- 8.3. No Award shall be granted to a Grantee if it would result in the total number of Shares issued and to be issued in respect of all the Awards granted under this Scheme and, if any, the share options and other share awards granted under any other Share Scheme(s) to such person (excluding any Awards and any share options and other share awards lapsed in accordance with the terms of the Share Schemes) in the 12-month period up to and including the date of such grant exceeding one per cent (1%) (or such other higher percentage as the Listing Rules may prescribe or permit) of the total number of issued Shares as at the date of such grant (“**Individual Limit**”), unless: LR17.03(4)

- (A) such grant has been separately approved by the Shareholders in general meeting, with such Grantee and his close associates (or associates if such Grantee is a connected person) abstaining from voting; LR17.03(D)
  - (B) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee; and
  - (C) the number and terms of the Awards to be granted to such Grantee are fixed before the Shareholders' approval.
- 8.4. Subject to paragraph 8.5, the Scheme Mandate Limit may be refreshed by the Company as follows:
- (A) the Company may refresh the Scheme Mandate Limit by approval of the Shareholders at general meeting after three (3) years from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) in accordance with the applicable Listing Rules; and LR17.03C(1)
  - (B) any refreshment of the Scheme Mandate Limit within the three-year period from the Adoption Date (or from the date of Shareholders' approval for the last refreshment) must be approved by the Shareholders in general meeting subject to the following provisions:
    - (a) any controlling Shareholders (as defined in the Listing Rules) of the Company and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and 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) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that paragraphs 8.4(B)(a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares 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 Mandate Limit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of Shares, rounded to the nearest whole Share.
- 8.5. The Scheme Mandate Limit so refreshed under paragraph 8.4 shall not exceed ten per cent (10%) of the total number of issued Shares as at the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit must be despatched to the Shareholders containing the number of Awards and any other share options and share awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment. LR17.03C(2)
- 8.6. Without prejudice to paragraphs 8.4 and 8.5, the Company may seek separate approval by the Shareholders in general meeting for granting Awards which will result in the Scheme Mandate Limit or, if applicable, the refreshed Scheme Mandate Limit under paragraph 8.4, being exceeded, provided that: LR17.03C(3)
- (A) the Awards in excess of the limit are granted only to the Grantee(s) specifically identified by the Company before such approval is sought;

- (B) the Company must despatch a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee(s); and LR17.03(10)
  - (C) the number and terms of the Awards to be granted to such Grantee(s) are fixed before the Shareholders' approval.
- 8.7. If the Company conducts any capitalisation issue, rights issue, share consolidation, share sub-division or capital reduction, corresponding adjustments (if any) shall be made to the maximum number of Shares that may be issued by the Company in respect of all the Awards and other share awards and share options to be granted pursuant to all the Share Schemes of the Company under the unutilised Scheme Mandate Limit referred to in paragraph 8.1 (or as increased in accordance with paragraph 8.4 or 8.6, as the case may be) with reference to the total number of issued Shares as at the date immediately before and after such event and rounded to the nearest whole Share, such that each Grantee will be entitled to the same proportion of the Company's share capital as that to which such Grantee was previously entitled, provided that no such adjustment may be made to the extent that any Share would be issued at less than its nominal value, if applicable. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the note to Rule 17.03(13) of the Listing Rules. Note 2 to LR17.03B(2) LR 17.03(13) Note to LR17.03(13)

## 9. **RIGHTS ATTACHED TO THE AWARDS AND THE AWARD SHARES**

- 9.1. Unless otherwise approved and authorised by the Board or the Committee, the Grantee shall not exercise any of the voting rights in respect of any Award Shares and shall not have any right whatsoever in any dividends and other distributions declared and made in respect of any Award Shares or otherwise ("**Other Distributions**") unless and until the relevant Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations. For the avoidance of doubt:
- (A) a Grantee does not have legal and beneficial ownership of any Award Shares unless and until such Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with these rules of the Scheme and the applicable laws, rules and regulations; and
  - (B) where a Trustee is appointed, no instruction may be given by a Grantee to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed;
  - (C) where a Trustee is appointed, the Trustee shall not exercise 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 and the Award Shares).
- 9.2. Subject to paragraph 9.1, the Award Shares to be allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award in the Grantee shall be subject to all the provisions of the Articles of Association for the time being in force and shall rank pari passu in all respects with, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue on the date on which the Award Shares are allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award and, without prejudice to the generality of the foregoing, shall entitle the holders of such Award Shares to participate in all Other Distributions paid or made on or after the date on which the Award Shares are so allotted and issued or transferred (as the case may be), other than any Other Distributions previously declared or recommended LR17.03(10) LR17.03(15)

or resolved to be paid or made if the record date thereof shall be before the date on which the Award Shares are so allotted and issued or transferred (as the case may be).

## **10. DISPUTES**

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

## **11. ALTERATION OF THE SCHEME AND THE AWARDS**

- 11.1. Subject to paragraphs 11.3 and 11.4, these rules of the Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Scheme which are of a material nature; or (ii) any alteration to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration operates to the advantage of the Selected Participants or Grantees must be approved by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any Awards granted which have not vested or lapsed or been cancelled prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles of Association for a variation of the rights attached to the Shares. LR17.03(18)
- 11.2. Subject to paragraph 11.4, any change to the terms of the Awards granted to a Grantee shall be approved by the Board, the 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 Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Scheme.
- 11.3. Any change to the authority of the Directors or administrators of this Scheme (including, where applicable, the Trustee) in relation to any alteration to these rules of the Scheme shall be approved by the Shareholders in general meeting.
- 11.4. The amended terms of the Scheme must comply with all applicable laws, rules and regulations (including Chapter 17 of the Listing Rules).

## **12. TERMINATION**

- 12.1. The Scheme shall terminate on:
- (A) the tenth (10th) anniversary date of the Adoption Date; or
  - (B) such date of earlier termination as determined by the Board or the Committee.
- 12.2. Upon the termination of the Scheme, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but these rules of the Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Scheme. The Company shall notify all Grantees and (if applicable) the Trustee of such termination and of how any property held by the Trustee on trust for the Grantees (including, but not limited to, any Shares held) and the outstanding Awards shall be dealt with, subject to the requirements of the Listing Rules. LR17.03(16)
- 12.3. For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

### **13. MISCELLANEOUS**

- 13.1. The Scheme shall not form part of any contract of employment or engagement between any member of the Group and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office, employment or engagement shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination (howsoever caused) of his office or employment for any reason (whether lawful or unlawful).
- 13.2. The Company shall bear the costs and expenses of establishing, administering and implementing the Scheme (including, if any, the stamp duty, transfer tax or duty, transaction levy, brokerage fee and direct costs and expenses payable in respect of any vesting, transfer or allotment and issue of Shares to the Grantee(s) pursuant to the Scheme), but excluding any costs, expenses, levies and taxes which are determined by the Board or the Committee in its absolute discretion to be payable due to reasons, factors or circumstances which are personal or pertaining to the relevant Grantee(s) or otherwise unrelated to the grant of the relevant Award under the Scheme and which shall be payable by the relevant Grantee(s). Without prejudice to the generality of the foregoing, all costs and expenses in relation to all dealings with the Award Share after the vesting, transfer or allotment and issue of Shares to a Grantee (as the case may be) shall be borne by such Grantee, and the Company shall not be liable for any such costs and expenses thereafter.
- 13.3. Any notice or other communication between the Company, the Board or the Committee, any Selected Participant or Grantee and/or (where applicable) the Trustee may be given by sending the same by electronic means (including electronic mail, electronic system/platform provided by third-party vendor as selected by the Board or the Committee) or by prepaid post or personal delivery to:
- (A) in the case of the Company, the Board or the Committee, the principal place of business of the Company in Hong Kong or such other address as the Board or the Committee may from time to time decide and notify to the Selected Participants or Grantee and/or (where applicable) the Trustee;
  - (B) in the case of the Trustee (if any), its registered office or principal place of business in Hong Kong or such other address as notified by the Trustee to the Company from time to time; and
  - (C) in the case of any Selected Participant or Grantee, his last known address as notified by such Selected Participant or Grantee 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 such other address as the Company reasonably considers appropriate.
- 13.4. Any notice or other communication:
- (A) if sent by any Selected Participant or Grantee, shall be irrevocable and shall not be effective until actually received by the Company, the Board, the Committee or the Trustee (as the case may be);
  - (B) if sent to any Selected Participant or Grantee, shall be deemed to be given or made (i) three (3) days after the date of posting, if sent by local postage pre-paid registered mail to an address in Hong Kong; (ii) five (5) days after the date of posting, if sent by postage pre-paid registered airmail to an address outside Hong Kong; (iii) when delivered, if

delivered by hand; and (iv) if sent by electronic means, on the same date as that on which it was sent; and

- (C) if sent to the Trustee (if any), shall be irrevocable and shall not be effective until actually received by the Trustee.
- 13.5. Save as specifically provided in these rules, the Scheme shall not confer on any person any legal or equitable rights against the Company, any Subsidiary and (where applicable) 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, any Subsidiary and (where applicable) the Trustee, or any of them.
- 13.6. A Grantee shall, before accepting an Award granted to him, the vesting of an Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, obtain all necessary governmental, regulatory or other official consents that may be required by any country or jurisdiction to enable him to accept such Award and for such Award to be vested in him and for the related Award Shares to be allotted and issued or transferred to him, as the case may be, in accordance with these rules of the Scheme. By accepting an Award, the Grantee is deemed to have represented, warranted and undertaken to the Company and (where applicable) the Trustee that he has complied with, and will continue to comply with, all local laws and regulations in connection with the acceptance of the Award and the satisfaction of the Award, including the obtaining of any governmental, regulatory or other official consents, the payment of any taxes and duties required to be paid in the relevant country or jurisdiction, and all registration and filing requirements with the relevant authorities required in the relevant country or jurisdiction, and the Grantee further undertakes to the Company and (where applicable) the Trustee that he shall promptly notify each of them in writing if he becomes aware of any event, matter, circumstance, act or omission which has rendered or will render such representation and warranty untrue, incorrect or misleading in any respect. Compliance with this paragraph 13.6 shall be a condition precedent to the acceptance of an Award by a Grantee. A Grantee shall, on demand, indemnify the Company and (where applicable) 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 or in connection with any failure on the part of such Grantee to obtain any necessary consent or to pay tax or other liabilities in relation to or in connection with his acceptance of the Award, the vesting of the Award in him and the allotment and issue or transfer (as the case may be) of the related Award Shares to him as referred to in this paragraph 13.6.
- 13.7. A Grantee shall pay all taxes and discharge all liabilities to which he may become subject or liable as a result of or in connection with his participation in the Scheme, acceptance of any Award made hereunder, the vesting of the Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, or any of the foregoing.
- 13.8. A Grantee shall indemnify the Company, any Subsidiary and/or (where applicable) the Trustee against any liability each of them may have to pay or account for any taxes, including any withholding liability in connection with any taxes. To give effect to this, the Company or (where applicable) the Trustee may, notwithstanding anything else herein contained (but subject to applicable law):
- (A) reduce or withhold the number of the Grantee's Award Shares underlying the Award (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board or the Committee, is sufficient to cover such liability);



- (B) sell, on the Grantee's behalf, such number of Award Shares to which the Grantee becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (C) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from any member of the Group to the Grantee; and/or
- (D) require the Grantee to remit to any member of the Group in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

For the avoidance of doubt, the Company or (if applicable) the Trustee shall not be obliged to vest any Award in a Grantee, or allot and issue or transfer (as the case may be) any Award Shares to a Grantee, unless and until the Grantee satisfies the Company or (if applicable) the Trustee that such Grantee's obligations under this paragraph 13.8 have been met.

- 13.9. Subject to paragraph 13.2, the Company and (if applicable) the Trustee shall not be liable for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.
- 13.10. The Board or the Committee may from time to time adopt such operational rules or establish such arrangements as it may deem fit for the purpose of giving effect to or implementing the Scheme, provided that such rules do not conflict with these rules of the Scheme or contravene any of the applicable laws, rules or regulations, including without limitation the Listing Rules.
- 13.11. In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure requirements including without limitation those imposed by the Listing Rules from time to time. In the case where an announcement, circular or any other document is required to be published or despatched by the Company pursuant to any such applicable disclosure requirements, each Grantee consents to the disclosure of the identity of such Grantee, the number of Award Shares underlying each Award, the terms of any Award granted and/or to be granted and all other information as required under such applicable disclosure requirements.
- 13.12. Each provision of these rules of the Scheme shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision(s) being or becoming unenforceable in whole or in part. To the extent that any provision(s) hereof are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion do not affect the enforceability of these rules of the Scheme as remain not so deleted.
- 13.13. By accepting an Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning the Grantee by any member of the Group or any other third party contractors or personnel (including without limitation the Trustee), in Hong Kong or elsewhere, for the purpose of the administration, management and operation of the Scheme.

#### **14. CONDITION**

- 14.1. This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders at a general meeting to approve the adoption of this Scheme.

- 14.2. If the condition referred to in paragraph 14.1 is not satisfied, the Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme.

**15. GOVERNING LAW**

- 15.1. The Scheme shall operate subject to the Articles of Association and any applicable laws, rules and regulations to which the Company is subject.
- 15.2. The Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

*\*\*\* End of these rules of the Scheme\*\*\**