

BATELAB CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

RESTRICTED SHARE UNIT SCHEME

[Adopted by the Company pursuant to a special resolution passed by the shareholders of the Company at a general meeting of the Company held on 2 December 2024]

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1. DEFINITIONS

1.1 In this Scheme, the following expressions have the following meanings unless context requires otherwise:

“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Adoption Date”	2 December 2024, being the date on which this Scheme is approved and adopted by the Shareholders at a general meeting of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Award Period”	the period commencing on the date on the Adoption Date, and ending on the business day immediately prior to the tenth (10 th) anniversary of the date on which the Shareholders approved the RSU Scheme;
“Board”	the board of Directors of the Company or a committee thereof duly appointed for the purpose of administering this Scheme;
“business day”	any day on which the Stock Exchange is open for the business of trading in securities;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“China” or “PRC”	the People's Republic of China, for the purpose of this Scheme and for geographical reference only, except where the context requires, references in this Scheme to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan region;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	BaTeLab Co., Ltd., (蘇州貝克微電子股份有限公司) a joint stock company incorporated in the PRC with limited liability whose H Shares are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules;

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	the date on which the Board resolves to make an Offer of that Share Award to the Employee Participant, which date must be a business day;
“Director(s)”	the director(s) of the Company;
“Employee Participant(s)”	any Director (executive Directors or non-executive Directors, but does not include independent non-executive Directors), member of the management team, senior management and current employee of the Company or any of its subsidiaries (if established)(including any persons who are granted Share Awards under this Scheme as an inducement to enter into employment contracts with these companies), in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group;
“Grant Letter”	letter or notice (including but not limited to, by mail, e-mail or by notification via any electronic means) to each Employee Participant in such form as the Board may from time to time determine, specifying the Date of Grant, the manner of acceptance of the Share Award, the purchase price of each RSU and/or the number of RSU underlying the Share Award, the vesting criteria and conditions, and the vesting date and such other details, terms and conditions as the Board may consider necessary and in compliance with the RSU Scheme;
“Grantee”	any Employee Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Share Award in consequence of the death of the original Grantee, or the legal personal representative of such person;
“Group”	the Company and its subsidiaries from time to time (if established);
“H Share(s)”	overseas listed foreign invested share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“inside information”	has the meaning ascribed to it under the Listing Rules;
“Listing Committee”	the listing committee of the Stock Exchange;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended or supplemented from time to time);
“Offer”	the offer of the grant of a Share Award made in accordance with the Scheme;
“Related Income”	all income derived from a Share held upon the Trust;
“Remuneration Committee”	the remuneration and evaluation committee of the Board;
“Restricted Share Unit” or “RSU”	a restricted share unit conferring the Grantee a conditional right upon vesting of the RSU to obtain, as determined by the Board in its absolute discretion, either a Share or an equivalent value in cash with reference to the market value of a Share on or around the vesting date of such RSU as determined by the Board in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable;
“Residual Cash”	being cash remaining in the trust fund held under the Trust and managed by the Trustee in respect of a Share Award (including interest income derived from deposits maintained);
“Returned Shares”	such Shares underlying a Share Award which are not accepted, vested and/or are forfeited in accordance with the terms of this Scheme (whether as a result of a lapse, clawback or cancellation of Share Awards or otherwise), or such Shares being deemed to be Returned Shares;
“RMB”	Renminbi, the lawful currency of the PRC
“RSU Scheme” or “Scheme”	the restricted share unit scheme adopted by the Company in accordance with the RSU Scheme Rules;
“RSU Scheme Rules”	the rules relating to the RSU Scheme as amended from time to time;
“Scheme Mandate Limit”	has the meaning given to that term in the Scheme;
“Share(s)”	share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising Unlisted Domestic Share(s) and H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“Share Award(s)”	an award of H Shares granted pursuant to this Scheme;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers, as approved by the Securities and Futures Commission of Hong Kong (as amended from time to time);
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules, and for the purpose of this Scheme, references to new Shares include Treasury Shares (if any) listed on the Stock Exchange, and references to the issue of new Shares include the transfer of Treasury Shares listed on the Stock Exchange;
“Trust”	the trust constituted or to be constituted by the Trust Deed;
“Trust Deed”	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of this Scheme;
“Trustee(s)”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of this Scheme or any additional or replacement trustee(s); and
“Unlisted Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange;
“%”	per cent.

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

- (a) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Scheme;
- (b) references to sections are references to sections of this Scheme;
- (c) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- (d) expressions in the singular shall include the plural and vice versa;
- (e) expressions in any gender or the neuter shall include other genders and the neuter;
- (f) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind whether or not having separate legal identity; 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. APPROVAL CONDITIONS

2.1 The RSU Scheme shall be subject to the following administrative bodies, in accordance with the RSU Scheme Rules and, where applicable, the Trust Deed:

- (a) the general meeting of the Shareholders, as the organ of authority of the Company, is responsible for the deliberation and approval of the adoption of the RSU Scheme. The general meeting of the Shareholders may authorise the Board to deal with all matters related to the RSU Scheme to the extent of its authority;
- (b) the Board is the institution in charge of the administration of the RSU Scheme in accordance with the RSU Scheme Rules and where applicable, the Trust Deed. A decision of the Board shall be final and binding on all persons affected. Upon deliberation and approval of the RSU Scheme by the Board, the Board will submit the RSU Scheme to the general meeting of the Shareholders for consideration. The Board may handle all matters related to the RSU Scheme within the authorisation by the general meeting of the Shareholders; and
- (c) Pursuant to the RSU Scheme Rules, the authority to administer the RSU Scheme may be delegated by the Board to any other person(s) at the sole and absolute discretion of the Board.

2.2 The RSU Scheme is conditional upon:

- (a) the passing of special resolution(s) by the Shareholders at a general meeting of the Company to approve the adoption of this Scheme, and to authorise the Board to grant Share Awards under this Scheme and to allot and issue, procure the transfer of and

otherwise deal with the Shares underlying the Share Awards granted in accordance with the terms and conditions of the RSU Scheme; and

- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued underlying the Share Awards granted in accordance with the terms and conditions of the RSU Scheme.

2.3 Notwithstanding the above, if the Grantee is a PRC resident, he or she shall not be entitled to receive any Shares pursuant to a Share Award until he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant PRC laws, regulations and notices in acquiring such Shares (including fulfilling the relevant foreign exchange registration procedures). In addition, if the Grantee is a resident in a place where the award of the Share Award pursuant to the terms of the RSU Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Grantee, he or she shall not be entitled to receive any Shares.

3. PURPOSE, ELIGIBILITY, DURATION AND ADMINISTRATION

3.1 The purpose of this Scheme is to attract new talents and retain employees whose contributions are important to the long-term growth and success of the Group, to recognise and reward Employee Participants for their contributions to the Group, to provide Employee Participants with the opportunity to acquire proprietary interests in the Company and to encourage Employee Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. This Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Employee Participants.

3.2 The Board shall be entitled (but shall not be bound) to make an Offer to an individual, being an Employee Participant, as the Board may in its absolute discretion select, of a Share Award (consisting of RSUs as set forth in the applicable Offer documentation), in each case provided that the Board considers, in its sole discretion, have contributed or will contribute to the Group.

3.3 In the case of the Employee Participants, in assessing their eligibility, the Board will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success. And no one should be considered as an Employee Participant if he/she:

- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any authorised securities regulatory bodies in the last 12 months;
- (b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;

- (c) is in breach of relevant national laws and regulations or the Articles of Association; or
- (d) has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Employee Participant shall undertake that if any of the above provisions occurs during implementation of the RSU Scheme which would prevent him/her from being considered as an Employee Participant, he/she shall give up his/her rights to participate in the RSU Scheme and shall not be given any compensation.

- 3.4 Subject to the fulfilment of the conditions in section 2 and section 11, this Scheme shall be valid and effective for the Award Period. After the expiry of the Award Period, no further Share Awards shall be offered or granted, but in all other respects the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.5 The RSU Scheme shall be administered by the Board and/or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of the RSU Scheme and the terms of the Trust Deed, and the decision of the Board shall be final and binding on all parties. For the Grantees who do not require the service of the Trustee (for example, some Grantees from certain jurisdictions may experience administrative inconvenience in becoming a beneficiary of the Trust), the relevant awards will be administered by the Board (or any persons delegated by the Board) in accordance with the RSU Scheme. Subject to compliance with any applicable requirements of the Listing Rules, the provisions of this Scheme and any applicable laws or regulations, the Board shall have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons who will be offered Share Awards under this Scheme, the number of Shares subject to such Share Awards and other terms and conditions (such as any vesting conditions, performance targets and clawback provisions) in relation to such Share Awards; (iii) subject to sections 8 and 10, make such appropriate and equitable adjustments to the terms of the Share Awards granted under this Scheme as it deems necessary; (iv) allot and issue new Shares to the Trustee to be held by the Trustee and which will be used to satisfy the Share Awards granted upon vesting; and (v) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme.
- 3.6 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board or for any mistake of judgment made in good faith for the purposes of this Scheme, and the Company shall indemnify and hold harmless each employee, officer or Director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with this Scheme unless arising out of such person's own willful default, fraud or bad faith.

- 3.7 A Grantee shall only have a contingent interest in the Shares underlying the Share Awards which are referable to him/her subject to the vesting and transfer/sale of such Shares in accordance with the provisions of this Scheme, and shall have no rights in any Related Income, Residual Cash, Returned Shares or such other trust fund or property held by the Trust.
- 3.8 Subject to any applicable laws, regulations and rules, the powers and obligations of the Trustee will be limited as set forth in the Trust Deed. The Trustee will hold the trust fund in accordance with the terms of the Trust Deed and the Trustee will hold the Shares which are part of the trust fund. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (if any). In particular, the Trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the Trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by applicable laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.
- 3.9 No instructions may be given by a Grantee to the Trustee in respect of the Share Awards that have not vested, and such other properties in the Trust managed by the Trustee.
- 3.10 In the event of either (a) an open offer of new securities; or (b) any rights issue in respect of any Shares held by the Trustee, the Trustee shall operate in accordance with the terms of the Trust Deed.
- 3.11 In the event that the Company has Treasury Shares listed on the Stock Exchange in the future, the Board may, after taking into account of relevant circumstances, use Treasury Shares listed on the Stock Exchange to fund the Share Awards to be granted under this Scheme.

4. GRANT OF SHARE AWARDS

- 4.1 On and subject to the terms of this Scheme, the Board shall be entitled (but shall not be bound) at any time within the Award Period to make an Offer to any Employee Participant, as the Board may in its absolute discretion select, of a Share Award (consisting of either Restricted Shares or RSUs as set forth in the applicable Offer documentation) and on and subject to such terms and conditions as the Board may determine and impose and inform the Trustee and the Grantee accordingly. The Offer shall specify the terms and conditions on which the Share Award is to be granted. Such terms and conditions may include any minimum period(s) for which a Share Award must be held (subject to sections 5.1 and 5.3), any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved, before the Share Award shall vest in whole or in part, may include any clawback mechanism in respect of the Share Awards described in section 5.5, and may include at the discretion of the Board such other terms either on a case by case basis or generally.
- 4.2 Each grant of Share Awards to any Director, chief executive or substantial shareholder 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.
- 4.3 There are no restrictions on the maximum entitlement of Share Awards to be granted to an Employee Participant (save for any requirements under the Listing Rules).

- 4.4 Where any grant of Share Awards to an Employee Participant would result in the Shares issued and to be issued in respect of all options and awards involving issue of new Shares granted under the RSU Scheme and any other share scheme(s) of the Company (excluding any options and awards lapsed in accordance with the terms of the RSU Scheme or any other share scheme(s) of the Company) granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) , such grant must be separately approved by Shareholders in general meeting with such Employee Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.
- 4.5 Where any grant of Share Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new Shares granted under the RSU Scheme and any other share scheme(s) of the Company (excluding any awards lapsed in accordance with the terms of the RSU Scheme or any other share 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% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.
- 4.6 Where any grant of Share Awards to a substantial shareholder 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 options and awards involving issue of new Shares granted under the RSU Scheme and any other share scheme(s) of the Company (excluding any options or awards lapsed in accordance with the terms of the RSU Scheme or any other share 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% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding Treasury Shares) as at the Date of Grant, such further grant of Share Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.
- 4.7 In the circumstances described in section 4.4, 4.5 or 4.6 above, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. The relevant Grantee, his/her associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.
- 4.8 The circular to be issued by the Company to its Shareholders pursuant to section 4.7 shall contain the following information:
- (a) the details of the number and terms of the Share Awards to be granted to each Grantee which must be fixed before the Shareholders' meeting;
 - (b) the views of the independent non-executive Directors as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent

Shareholders as to whether to vote for or against the resolution relating to the grant of the Share Awards;

- (c) the information required under Rule 17.02(2)(c) of the Listing Rules;
- (d) the information as required under Rule 2.17 of the Listing Rules; and
- (e) any other information as may be required under the Listing Rules or by the Stock Exchange from time to time.

4.9 Any change in the terms of Share Awards granted to any Grantee who is a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the Shareholders in the manner as set out in section 4.7 if the initial grant of the Share Awards requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

4.10 No grant of any RSU to any selected Employee Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of Share Award under the circumstances below:

- (a) where any Director is in possession of unpublished inside information in relation to the Company; or where any Director of the Company knows or believes there is inside information which must be disclosed pursuant to the Listing Rules or any applicable laws, rules or regulations; or where dealings by Directors of members of the Group are prohibited under any code, internal written guidelines for securities transactions by employees, or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date or the delayed publication date (if applicable) of such results; and
- (c) during the period of 30 days immediately preceding the publication date of the quarter or half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarter or half-year period of the financial period up to the publication date or the delayed publication date (if applicable) of such results.

4.11 An Offer of a Share Award shall be made to an Employee Participant by a Grant Letter in duplicate, in such form as the Board may from time to time determine, requiring the Employee Participant to undertake to hold the Share Award on the terms on which it is to be granted and to be bound by the provisions of the RSU Scheme. Each Offer shall remain open for acceptance by the Employee Participant to whom the Offer is made for such time to be determined by the Board from the date on which the Grant Letter is delivered to that Employee Participant, provided that no such Offer shall be open for acceptance after the expiry of the Award Period or after this Scheme has been terminated in accordance with the provisions hereof, whichever is the earlier.

4.12 An Offer shall be deemed to have been accepted and the Share Award to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of

the Grant Letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, is received by the Company within the period as stipulated in section 4.11.

- 4.13 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the Offer is not accepted or any Grantee fails to return the acceptance of the Offer in accordance with section 4.11 within the time period and in the manner specified in the Grant Letter, it shall be deemed to have been irrevocably declined.

5. PURCHASE PRICE, VESTING PERIOD, PERFORMANCE TARGETS AND CLAWBACK OF SHARE AWARDS

- 5.1 The Board may, in its discretion, require the Grantee to pay the purchase price (per RSU) which (i) shall not be less than RMB1.00; and (ii) shall not exceed the average closing price of the H Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant, as consideration for the grant of each RSU or purchase price of each Share Award to the Company, unless otherwise determined by the Board at its sole discretion or as required by applicable law. Such purchase price shall be paid by the Grantee within one (1) month upon the Date of Grant in general. Such payment is not refundable in principle unless the Board determines otherwise.
- 5.2 Save for the circumstances as described in section 5.3, the vesting period in respect of any Share Award granted shall be no less than twelve (12) months from (and including) the Date of Grant.
- 5.3 Share Awards granted to an Employee Participant may be subject to a shorter vesting period only in the following circumstances at the sole discretion of the Board or the Remuneration Committee (as the case may be):
- (a) grants of "make-whole" Share Awards to new joiners to replace the share awards they forfeited when leaving their previous employers;
 - (b) grants that are made in batches during a year for administrative or compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Award would have been granted;
 - (c) grants with a mixed or accelerated vesting schedule such as where the Share Awards may vest evenly over a period of twelve (12) months, or where the Share Awards may vest by several batches with the first batch to vest within 12 months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
 - (d) grants with performance-based vesting conditions provided in the RSU Scheme or as specified in the Grant Letter in lieu of time-based vesting criteria; and
 - (e) grants with a total vesting and holding period of more than twelve (12) months.

- 5.4 Vesting of Share Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Remuneration Committee from time to time. The Remuneration Committee shall have the authority, after the grant of any Share Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Remuneration Committee. The performance targets, which may vary among the Grantees, shall be set out in the Grant Letter. For example, the performance targets may be linked to the individual Employee Participant and/or the Group as a whole or to a subsidiary (if established), department, division, region, function or business unit, line of business, project or individual key performance indicators, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and other targets as the Remuneration Committee may determine from time to time and as set out in the Grant Letter. In particular, the Employee Participants' performance appraisal score in the preceding financial year before the vesting of Share Award shall not be lower than 80 points. The Remuneration Committee will conduct assessment from time to time by comparing the performance with the pre-set targets, past or current performance or comparison to internal targets or industry performance, to determine whether such targets and the extents to which have been met. If, after the assessment, the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Share Award shall lapse automatically.
- 5.5 Notwithstanding the terms and conditions of the RSU Scheme, the Board has the authority to provide that any Share Award shall be subject to a clawback if any of the following events occurs:
- (a) the Grantee has failed to perform his or her duties effectively or committed a serious breach or dereliction of his or her duties;
 - (b) the Grantee has not performed or duly performed his or her duties, causing the Company to suffer a material loss in terms of assets and other material adverse impact;
 - (c) the Grantee has engaged in the acceptance or solicitation of bribes, corruption, theft, leaking commercial and technological secrets of the Company, conducting related party transactions to the prejudice of the interests and reputation of the Company, and other illegal behaviours having a material adverse impact on the image of the Company and has been sanctioned;
 - (d) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group;
 - (e) the Grantee has failed to comply with any non-compete covenants or any terms and conditions of a similar effect under their respective contract with the Group; or
 - (f) any other conduct which, as the Board determines in good faith, would justify the termination of his or her contract.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this section is subject to the sole determination of the Board) in relation to a Grantee, the Board may (but is not obliged to) by notice in writing to the relevant Grantee (in the case of a Share Award) claw back such number of Share Awards granted (to the extent not already vested) as the Board may consider appropriate. The Share Awards that are clawed back shall be regarded as cancelled and the Share Awards so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

6. VESTING AND TERMINATION OF SHARE AWARDS

6.1 The vesting of the Share Award granted under this Scheme is subject to the following conditions and any other applicable vesting conditions as set out in the Grant Letter:

- (a) The Employee Participants in this Scheme are any Director (executive Directors or non-executive Directors but does not include independent non-executive Directors), member of the management team, senior management and current employee of the Company or any of its subsidiaries (if established). All Employee Participants would have signed an employment contract with the Company;
- (b) the Employee Participant shall not violate the laws and regulations applicable to the Company and its employment contract, or the above and/or other agreements signed by both parties, or engage in actions that harm the interests of the Company;
- (c) the number of RSUs granted to the Employee Participant, as well as the grant and attribution dates, shall be subject to this Scheme and the Grant Letter issued by the Company to the Employee Participant; and
- (d) RSUs held by an Employee Participant that are vested as evidenced by the Grant Letter may be exercised (in whole or in part) by the Employee Participant serving an exercise notice in writing on the Company. Upon receipt of an exercise notice, the Board shall direct and procure the Trustee to, within a reasonable time, transfer the H Shares underlying the RSUs exercised (and, if applicable, dividend declared in relation to the RSUs in respect of those Shares as provided in the RSU Scheme Rules) to the Employee Participant, subject to the Employee Participant paying the purchase price (where applicable).

If the Employee Participant fails to fulfil the vesting conditions applicable to the relevant Share Awards, all the RSUs underlying the relevant Share Awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately lapsed with respect to such Employee Participant. The Board's decision on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.

6.2 Subject to section 4.1, a Share 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 interest in favour of or enter into any agreement with any other person over or in relation to any Share Award (or, prior to vesting of a Restricted Share Unit, the Shares subject thereto) or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to in the case of an outstanding Share Award, cancel such award without payment of any consideration therefor in accordance with section 6.11.

- 6.3 Subject to the terms of this Scheme, the Board may decide at its sole and absolute discretion (subject to, including but not limited to, the execution of any transfer documents or restricted share agreements, the payment of any purchase price or the provision of any transfer or sale direction by the Grantee as may be required by the Board and/or the Trustee, and in accordance with the provisions stated in the Offer documentation to the Grantee) to:
- (a) procure the Company to allot and issue the number of Restricted Shares or the Shares underlying the RSUs (and, if applicable, transfer the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee (as new Shares under the Scheme Mandate Limit) as fully paid up Shares directly; and/or
 - (b) pay, or procure the payment of, an amount equivalent to the market value of the Shares underlying the RSUs (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee in cash, for the purpose of satisfying the relevant Share Awards of the Grantee upon vesting.

Notwithstanding the foregoing, if the Company, the Trustee or any Grantee would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable laws, regulations or rules, the date on which the relevant Shares shall be transferred to the Grantee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.

If a Grantee fails to execute the relevant transfer documents or pay the purchase price, give the relevant direction to transfer or sell required by the Board and/or the Trustee, the relevant part of the Share Award made to such Grantee shall automatically lapse and the relevant Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of this Scheme, unless the Board determines otherwise.

- 6.4 Subject to the terms and conditions upon which such Share Award was granted, a Share Award shall be vested on the Grantee in accordance with the vesting schedule, if any, as set out in the Offer documentation, unless the Board otherwise determines.
- 6.5 Upon any event in which the Company does not survive, or does not survive as a publicly traded company in respect of its ordinary shares or any event of change in control of the Company occurs (including, without limitation, a dissolution, voluntary winding-up, offer (by way of takeovers, scheme of arrangement or otherwise), merger, reconstruction, amalgamation, combination, consolidation, conversion, exchange of securities, or other reorganisation, or a sale of all or substantially all of the business, stock or assets of the Company), the Board may make provision for a cash payment in settlement of, or for the termination, assumption, substitution or exchange of any or all outstanding awards or the cash, securities or property deliverable to the holders of any or all outstanding Share Awards, based upon, to the extent relevant under the circumstances, the distribution or consideration payable to Shareholders upon or in respect of such event. Upon the occurrence of any event described in the preceding sentence, in connection with which the Board has made a provision for a Share Award to be terminated (and the Board has not made a provision for the substitution, assumption, exchange or other continuation or settlement of the Share Award): (i) unless otherwise provided in the applicable Offer documentation, each then-outstanding Share Award granted under the RSU

Scheme shall become payable to the holder of such award (with any performance goals applicable to the award in each case being deemed met, unless otherwise provided in the Offer documentation, at the “target” performance level); and (ii) each Share Award shall terminate upon the related event. For these purposes, an award shall be deemed to have been “assumed” if the award continues after an event referred to above in this section, and/or is assumed and continued by the surviving entity following such event (or a parent of such entity) and confers the right to receive, subject to vesting and the other terms and conditions of the award, for each Share subject to the award immediately prior to the event, the consideration (whether cash, shares, or other securities or property) received in the event by the Shareholders for each Share sold or exchanged in such event (or the consideration received by a majority of the Shareholders participating in such event if the Shareholders were offered a choice of consideration). For purposes of clarity, the Board may deem an acceleration and/or termination to occur immediately prior to the applicable event and, in such circumstances, will reinstate the original terms of the award if an event giving rise to an acceleration and/or termination does not occur. For the purpose of this section, “control” shall have the meaning as specified in the Takeovers Code.

- 6.6 The Shares to be allotted and issued pursuant to any Share Award granted under the RSU Scheme shall be identical to the then existing issued shares of the Company and subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.
- 6.7 No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of a Share Award pursuant to this Scheme, unless and until the Shares are actually issued or transferred to the Grantee pursuant to the vesting of a Share Award. The Share Awards do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company until such Share Awards have been vested as Shares. A Share issued or transferred upon the vesting of a Share Award shall not carry rights until the registration of the Grantee (or any other person so permitted pursuant to this Scheme) as the holder thereof.
- 6.8 Notwithstanding any other provisions of the RSU Scheme or any terms and conditions set forth in the relevant offer letter in respect of the Board’s discretion to cancel any Share Awards that have not been vested, any Share Award granted but not vested may be cancelled if the Grantee so agrees. Where the Company cancels Share Awards granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the RSU Scheme with available Scheme Mandate Limit, and that Share Awards so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- 6.9 In any case where a tax is required to be withheld (including but not limited to taxes in the PRC where applicable) in connection with any grant, vesting or payment of a Share Award granted under this Scheme, the Company or any of its subsidiaries shall have the right to require the Grantee (or the personal representative(s) of the Grantee, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any of its subsidiaries may be required to withhold with respect to such tax withholding event, and the rights of such Grantee (or the personal representative(s) of such Grantee, as the case may be) to receive or retain any Shares pursuant to such Share Award shall be subject to payment by such Grantee (or the personal representative(s) of such Grantee, as the case may be) of the amount of taxes in full as required under this section 6.9.
- 6.10 A Share Award shall lapse automatically (to the extent not already vested) on the earliest of:
- (a) the date on which the Grantee ceases to be an Employee Participant for reason of his or her death, ill-health or retirement in accordance with his or her contract of employment;
 - (b) the date on which the Grantee (being an employee, or a director of any member of the Group) ceases to be an Employee Participant for any reason other than his or her death, ill-health or retirement in accordance with his or her contract of employment;
 - (c) the date on which the Grantee commits a breach of selling, transferring, charging, mortgaging, encumbering or otherwise disposing of or creating any interest in favour of or enter into any agreement with any other person over or in relation to any Share Award or any property held by the Trustee on trust for the Grantees;
 - (d) the date on which the Remuneration Committee determines that any prescribed performance targets have not been met after conducting the assessment referred to in section 5.4;
 - (e) the date on which the Grantee appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts when they fall due or has become insolvent or has made any arrangement or composition with its creditors generally; and
 - (f) the date the Grantee ceases to be an Employee Participant for any other reason as determined by the Board.
- 6.11 Upon the termination of an unvested Share Award pursuant to section 6.10, in the case of a Share Award, the unvested RSUs shall be cancelled without payment.
- 6.12 For the avoidance of doubt, transfer of employment or engagement from one member of the Group to another member of the Group shall not be considered as a cessation of employment or engagement. Share Awards held by such Grantee, to the extent not already vested, shall remain eligible to vest in accordance with the terms and conditions of this Scheme and the applicable Offer documentation.
- 6.13 The Board shall have the power to decide whether a Share Award shall terminate pursuant to the foregoing provisions and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the termination of any such Share Award.

7. MAXIMUM NUMBER OF SHARES SUBJECT TO SHARE AWARDS

- 7.1 The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the RSU Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date, being 6,000,000 Shares (the “**Scheme Mandate Limit**”), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit in accordance with section 7.3. Share Awards which have lapsed in accordance with the terms of this Scheme without Shares being issued and options and awards lapsed in accordance with any other share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- 7.2 The Company may seek the approval of its Shareholders at general meeting to refresh the Scheme Mandate Limit after three years from the Adoption Date or the date of Shareholders’ approval for the last refreshment (as the case may be), such that the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under this Scheme and any other share scheme(s) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue (excluding Treasury Shares) as at the date of the aforesaid approval for refreshment by the Shareholders in general meeting. Options and awards lapsed in accordance with the terms of this Scheme and any other share scheme(s) of the Company will not be regarded as utilised for the purpose of calculating the limit as refreshed. The Company shall send a circular to the Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

Any refreshment within any abovementioned three-year period must be approved by the Shareholders subject to the following provisions:

- (a) any controlling shareholder(s) of the Company and their respective associates, or if there is no controlling shareholder(s) of the Company, Directors (excluding independent non-executive Directors) and the chief executive(s) 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.

The requirements under sub-sections (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) 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.

- 7.3 Without prejudice to section 2, the Company may also seek separate approval of the Shareholders in general meeting for granting any Share Awards beyond the Scheme Mandate Limit, or if applicable, the refreshed limit as referred to in section 7.2 above, provided that the Share Awards in excess of the Scheme Mandate Limit are granted only to Employee Participants specifically identified by the Company before the aforesaid Shareholders’ meeting

where such approval is sought. A circular shall be sent to Shareholders containing the name of each specified Employee Participant who may be granted such Share Awards, the number and terms of the Share Awards to be granted to each specified Employee Participant, the purpose of granting Share Awards to the specified Employee Participants with an explanation as to how the terms of the Share Awards serve such purpose, and all other information as required under the Listing Rules. The number and terms of the Share Awards to be granted to such Employee Participant must be fixed before Shareholders' approval.

- 7.4 The maximum number of Shares referred to in section 7 shall be adjusted, in such manner as the Auditors or the independent financial advisor of the Company retained for such purpose shall certify in writing to the Board to be appropriate, fair and reasonable, in the event of any alteration in the capital structure of the Company in accordance with section 8 by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company.

8. REORGANISATION OF CAPITAL STRUCTURE AND SPECIAL DIVIDENDS

- 8.1 In the event of an alteration in the capital structure of the Company whilst any Share Award remains outstanding by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements in Hong Kong and the PRC and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Share Award to the extent outstanding as the Auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the Auditors or independent financial advisor (as the case may be) in this section is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or independent financial advisor (as the case may be) shall be borne by the Company.

To the extent not otherwise determined by the Board in accordance with section 8.1, the method of adjustment of the number of Share Award to the extent outstanding is set out as below:

Capitalisation issue

$$Q = Q0 \times (1 + n)$$

Where: "Q0" represents the number of Share Award before the adjustment; "n" represents the ratio per Share resulting from the capitalisation issue; "Q" represents the number of Share Award after the adjustment.

Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Share Award before the adjustment; “P1” represents the closing price of the Shares as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of the rights issue allotment; “Q” represents the number of Share Award after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Share Award before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Award after the adjustment.

- 8.2 In respect of any adjustments required by section 8.1, other than any made on a capitalisation of profits or reserves, the Auditors or the independent financial advisor, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time.
- 8.3 If there has been any alteration in the capital structure of the Company as referred to in section 8.1, the Company shall inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial advisor obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial advisor as soon as practicable thereafter to issue a certificate in that regard in accordance with section 8.1.

9. SHARE CAPITAL

The settlement of any Share Award, shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements with respect to Share Awards granted hereunder.

10. ALTERATION OF THIS SCHEME

- 10.1 Subject to section 10.2, the Board may by resolution amend any of the provisions of the RSU Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the RSU Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date and such alteration is in compliance with all applicable rules and regulations (including but not limited to the Listing Rules)).
- 10.2 Any alterations to the terms and conditions of this Scheme which are of a material nature (e.g. the alternation of the purpose of the RSU Scheme, the definition of Employee Participants and the basis for determining their eligibility, the Award Period, the Scheme Mandate Limit, the individual limit for grants under the RSU Scheme and any other matters prescribed by the

Listing Rules to be subject to Shareholders' approval in general meeting), or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Employee Participants, must be approved by Shareholders in general meeting. The Board's determination as to whether any proposed alteration to the terms and conditions of the RSU Scheme is material shall be conclusive. Any change to the terms of Share Awards granted to an Employee Participant, must also, to be effective, be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Share Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. This Scheme so altered must comply with the Listing Rules. Any change to the authority of the Board or the Trustee of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in general meeting.

11. TERMINATION

11.1 The Company by special resolution in general meeting or the Board may at any time resolve to terminate the operation of the RSU Scheme prior to the expiry of the Award Period, and in such event no further Share Awards will be offered or granted but the provisions of the RSU Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Share Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the RSU Scheme. Share Awards which are granted during the life of the RSU Scheme and remain outstanding immediately prior to the termination of the operation of this Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of this Scheme. For the avoidance of doubt, the following provisions shall apply:

- (a) forthwith on the vesting of the Shares underlying the Share Awards last to vest hereunder all Returned Shares and any non-cash assets remaining in the trust fund of the Trust shall be sold by the Trustee within a period as the Board may determine; and
- (b) Residual Cash, Related Income, net proceeds of sale referred to in section 11.1(a) and such other funds remaining in the Trust (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, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to section 11.1(a)).

11.2 Details of the Share Awards granted, including Share Awards settled or outstanding, under this Scheme, and (if applicable) Share Awards that become void or shall no longer be eligible to vest as a result of termination, shall be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after the termination of this Scheme.

12. MISCELLANEOUS

12.1 This Scheme shall not form part of any contract of employment between the Company or any of its subsidiary and any Grantee, and the rights and obligations of any such Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this

Scheme and this Scheme shall afford such Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 12.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting the Share Awards themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company. No person shall, under any circumstances, hold the Board and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with this Scheme or the administration thereof.
- 12.3 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Trustee, the Auditors or the independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 12.4 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in the PRC or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address in the PRC as notified to the Company from time to time.
- 12.5 Any notice or other communication served by post:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered.

- 12.6 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong and in the PRC, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding, vesting or settlement of any Share Award. By accepting an offer of the grant of a Share Award or any Shares issued pursuant thereto, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this section shall be a condition precedent to an acceptance of an offer of the grant of a Share Award by a Grantee and the issuance of any Shares to a Grantee pursuant thereto. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme.

- 12.7 Each Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the grant, vesting or settlement of any Share Award.
- 12.8 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the provisions of this Scheme. The Board may delegate any or all of its powers in relation to the administration and operation of this Scheme to the Remuneration Committee or other persons at its sole discretion. The Board shall also have the power to delegate its powers to grant Share Awards to the Company's chief executive or other member of senior management from time to time, provided that such delegation may not include authority to grant awards to members of the Board or senior management.
- 12.9 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to Shareholders generally.
- 12.10 The Company shall maintain all necessary books of accounts and records relating to this Scheme.
- 12.11 Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to a Share Award or otherwise) shall be referred to the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.
- 12.12 This Scheme and all Share Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 12.13 The Grantee shall comply with the Listing Rules and any rules or regulations or legal requirements in Hong Kong and the PRC.