

**2025 Incentive Plan**  
relating to  
ADICON Holdings Limited

Approved pursuant to an ordinary resolution passed by the shareholders  
of ADICON Holdings Limited in a general meeting on [26 May 2025]

## Rules of the 2025 Incentive Plan

### 1 Interpretation

#### 1.1 The following definitions and rules of interpretation apply in the Plan.

<b>Affiliate</b>	(a) in the case of a person (the “ <b>Subject Person</b> ”) other than a natural person, any other person that directly or indirectly Controls, is Controlled by or is under direct or indirect common Control with the Subject Person and (b) in the case of a Subject Person who is a natural person, any other person that directly or indirectly is (i) Controlled by the Subject Person or is an Immediate Relative of the Subject Person, or (ii) Controlled by any such Immediate Relative of the Subject Person. For the purpose of this Plan, “ <b>Control</b> ” means, of a given person, the power or authority, whether exercised or not, to direct the business, management and policies of such person, directly or indirectly, or by effective control whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of the board of directors of such person; the terms “Controlled” and “Controlling” have the meaning correlative to the foregoing. “ <b>Immediate Relative</b> ” of a natural person (the “ <b>Relevant Person</b> ”) means the spouse of the Relevant Person and any parent, grandparent, child, grandchild or sibling of the Relevant Person or spouse
<b>Articles</b>	the articles of association of the Company
<b>Auditor</b>	the auditors of the Company
<b>Awards</b>	includes both Options and RSUs granted under this Plan in respect of Shares, which may be satisfied by newly issued Shares or treasury Shares
<b>Bad Leaver</b>	any Grantee who leaves any Group Company as a result of:  (a) the termination of his employment for Cause;  (b) voluntary resignation (other than in response to circumstances constituting constructive dismissal); or  (c) any other reason other than as a Good Leaver
<b>Board</b>	means the board of directors of the Company
<b>Cause</b>	any:  (a) material failure on the part of a Grantee to perform his/her duties with respect to any Group Company;  (b) act of fraud or other serious misconduct on the part of a Grantee with respect to any Group Company;

	<ul style="list-style-type: none"> <li>(c) gross negligence or gross misconduct on the part of a Grantee which is detrimental to the Company or any Group company;</li> <li>(d) act on the part of a Grantee that constitutes a criminal offence under any applicable law;</li> <li>(e) act on the part of a Grantee that brings or risks bringing the Company or any Group Company into disrepute;</li> <li>(f) instituting, or threatening to institute any malicious or vexatious legal action by any Grantee against any Group Company; or</li> <li>(g) other act on the part of the Grantee which would permit any Group Company to summarily dismiss (i.e. without notice) the Grantee</li> </ul>
<b>Company</b>	ADICON Holdings Limited, a company incorporated in the Cayman Islands with registered number 207997 and listed on the Stock Exchange under the stock code “9860”
<b>Date of Grant</b>	the date on which an Award is granted under the Plan, being the date of the relevant Letter of Grant
<b>Designated ADICON Entity</b>	means such company or other entity as the Plan Administrator may designate to hold the Security Amount, if any, payable by Grantees in accordance with the Plan
<b>Eligible Participant(s)</b>	any Employee Participant(s) or Related Entity Participant(s)
<b>Employee Participant(s)</b>	shall have the meaning given in rule 3.1(a)
<b>Exercise Price</b>	the price at which each Share subject to an Award may be acquired on the exercise of an Awards using new Shares as described in rule 3.8
<b>Financial Adviser</b>	an independent financial adviser to be appointed by the Company
<b>Good Leaver</b>	<p>any Grantee who leaves the Company or a Group Company as a result of his:</p> <ul style="list-style-type: none"> <li>(a) death;</li> <li>(b) permanent ill-health or serious disability rendering him/her incapable of performing his/her job;</li> <li>(c) redundancy where there is a reduced requirement for: i) employees in the location in which the individual is based; or ii) employees to carry out work of the type for which the individual was employed;</li> <li>(d) constructive dismissal; or</li> </ul>

	(e) any Grantee who is otherwise determined by the Plan Administrator in his or her absolute discretion to be a Good Leaver
<b>Grantee</b>	an individual who holds an Award or, where applicable, his personal representatives
<b>Group Company</b>	the Company and any other member of the group of companies of which the Company is a member from time to time. The term “group of companies” shall have the meaning given to that term in the Companies Ordinance (Chapter 622, Laws of Hong Kong)
<b>Leaver</b>	means a Bad Leaver or a Good Leaver
<b>Letter of Grant</b>	shall have the meaning given in rule 5.6
<b>Listing Rules</b>	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
<b>Option(s)</b>	a right to acquire Shares granted under the Plan
<b>Option Period</b>	in respect of any particular Option, the period for the exercise of an Option to be determined by the Board (in its absolute discretion) to the Grantee at the time of making an offer, but in any event shall not exceed 10 years from the date of grant of the Option
<b>Plan</b>	means this 2025 Incentive Plan
<b>Plan Administrator</b>	any individual who is authorised by the Board to carry out the functions under the Plan
<b>Related Entity Participant(s)</b>	shall have the meaning given in rule 3.1(b)
<b>RSU(s)</b>	means restricted share units, each restricted share unit represents one underlying Share, and represent a conditional right granted to any Eligible Participant under this Plan to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the restricted share units, less any tax, stamp duty and other charges applicable, as determined by the Plan Administrator in his or her absolute discretion
<b>Sale</b>	means any transaction or series of transactions (including, for the avoidance of doubt, any merger, consolidation, amalgamation, scheme of arrangement or merger) which would, if consummated, result in, (a) a change of Control of the Company, or (b) (i) the holders of Shares enjoying more than 30% of the voting power of the Company immediately prior to such transaction or series of transactions, owning less than 30% of the voting power of the Company or the surviving entity immediately after such transaction or series of transactions or (ii) any transaction or series of transactions in which in excess of 30% of the Company’s voting power is transferred



<b>Security Amount</b>	an amount equal to the Exercise Price required to be paid by a Grantee to exercise an Option, if applicable
<b>Service Provider(s)</b>	shall have the meaning given in rule 3.1(c)
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Shares</b>	ordinary shares in the share capital of the Company, including (a) newly issued shares, (b) treasury shares, or (c) existing shares purchased in the market (subject to rule 17)
<b>Trustee</b>	shall have the meaning given in rule 3.5
<b>Vesting Condition</b>	any condition to which vesting of an Award is subject to, which may consist of one or more elements and which may relate to corporate performance and/or continued employment requirements
<b>Vesting Date</b>	the date on which an Award vests and becomes exercisable (which may be the Date of Grant)

- 1.2 Rule headings shall not affect the interpretation of the Plan.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 A reference to writing or written includes fax and e-mail.
- 1.8 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.9 A reference to the Plan or to any other agreement or document referred to in the Plan is a reference to the Plan or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of the Plan) from time to time.
- 1.10 References to rules are to the rules of the Plan.

## 2 Purpose

- 2.1 The purpose of the Plan is to give Eligible Participants an opportunity to have a personal stake in the Company so as to motivate them to optimize their performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth and success of the Group.

- 2.2 The Awards to be granted under this Plan may be satisfied by newly issued Shares or treasury Shares. The Plan constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure and compliance requirements under Chapter 17 of the Listing Rules.

### **3 Administration and Amendment**

#### *Determination of Eligibility*

- 3.1 The Board may, at its absolute discretion, offer to grant Awards to any of the following classes of Eligible Participants to subscribe for such number of Shares as the Board may determine:
- (a) an employee or director of a Group Company (including executive, non-executive and independent non-executive directors of the Company) (the “**Employee Participants**”);
  - (b) any director or employee of any of the holding companies, fellow subsidiaries or associated companies of the Company (the “**Related Entity Participants**”); and
  - (c) not including any person who provides services to a Group Company on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Company (the “**Service Providers**”).
- 3.2 The Service Providers include but are not limited to persons (natural persons, corporate entities or otherwise) who work for a Group Company as independent contractors where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity.
- 3.3 The basis of eligibility of any of the Eligible Participants shall be determined by the Board from time to time at its absolute discretion on the basis of the Eligible Participant’s contribution or potential contribution to a Group Company:
- (a) in respect of an Employee Participant or a Related Entity Participant, the Board will consider all relevant factors as appropriate, including, among others, his (i) work performance; (ii) years of service and (iii) potential or actual contribution to the business of a Group Company; and
  - (b) in respect of a Service Provider, the Board will consider his (i) contribution to the development and growth of the Company, (ii) the degree of involvement in and/or cooperation with the Company, (iii) length of business relationship with the Company and (iv) the actual or potential support, advice, efforts and contributions that he has exerted and given towards the success of the Company.

#### *Administration*

- 3.4 The Plan is subject to the administration of the Plan Administrator. The Plan Administrator is authorized by the Board to undertake all actions as necessary and appropriate with respect to the vesting of Awards to Eligible Participants upon the exercise of the Awards under the Plan, including the authority to defer the payment of the Exercise Price by any of the Grantees. The Plan Administrator shall ensure that all Awards granted under this Plan comply with the requirements under Chapter 17 of the Listing Rules.



- 3.5 The Company will entrust an independent third party as the trustee of this Plan (the “Trustee”) for the purposes of holding Shares under the Awards granted and to be granted under the Plan. The Plan Administrator, or a representative as designated by the Plan Administrator from time to time:
- (a) is in charge of giving instructions to the Trustee with respect to the relevant Shares held by the Trustee for the purpose of the Awards granted and to be granted under the Plan;
  - (b) may replace the Trustee from time to time to hold the relevant Shares under the Plan; and
  - (c) shall exercise the relevant voting rights with respect to the Shares held by the Trustee in accordance with the majority votes of the Company’s shareholders in general meetings. In the case of an equality of votes, the Plan Administrator or his/her representative will abstain from voting, and any votes cast by or on behalf of the Plan Administrator shall not be counted. For the avoidance of doubt, and in accordance with Rules 17.05A and 17.12(2) of the Listing Rules, the Plan Administrator shall not vote unvested shares on matters that require shareholders’ approval.
- 3.6 Each Eligible Participant waives any right to contest, amongst other things, (a) the value and number of Awards or Shares or equivalent value of cash underlying the Awards or Shares, and (b) the Board and the Plan Administrator’s administration of the Plan.
- 3.7 The decision of the Board and the Plan Administrator as to all matters relating to the Plan or its interpretation or effect shall be final and binding. In particular, the Plan Administrator shall finally determine whether a person is an Eligible Participant under the Plan.

#### ***Exercise Price***

- 3.8 Subject to any adjustments made in rule 17.1, the Exercise Price of a Share in respect of any particular Awards granted under this Plan using new Shares shall be such price as the Board in its absolute discretion shall determine, save that such price shall be at least the higher of:
- (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day;
  - (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the date of grant; and
  - (c) the nominal value of the Shares.

#### ***Exercise of Awards***

- 3.9 Subject to rule 3.10, an Award may be exercised in whole or in part by the Grantee, by giving notice to the Company (in such form as the Plan Administrator may from time to time determine) stating that the Award is thereby exercised and the number of Shares in respect of which it is exercised.
- 3.10 The vesting period for any Awards granted to any Grantee shall not be less than twelve (12) months from the date of grant of such Awards, unless reviewed and approved by the Board and complied in accordance with Rule 17.03f. The Board may determine a shorter vesting period on Awards granted to any Employee Participants if the Board and/or the Remuneration Committee as deemed appropriate, including where:

- (a) grants of “make-whole” Awards to the Employee Participants who newly joined the Group to replace the share options or awards they forfeited when leaving the previous employers;
  - (b) grants to an Employee Participant whose employment is terminated due to disability or occurrence of any out of control event;
  - (c) grants that are made in batches during a year for administrative and compliance reasons, which may include Awards that should have been granted earlier but had to wait for a subsequent batch, in such cases, the vesting date may be adjusted to take account of the time from which the Awards would have been granted if not for such administrative or compliance requirements;
  - (d) grants of Awards with a mixed or accelerated vesting schedule such that the Awards may vest evenly over a period of 12 months; and
  - (e) grants of Awards with a total vesting and holding period of more than 12 months.
- 3.11 The Shares to be allotted and issued upon the exercise of an Award will not carry voting, dividend, transfer and other rights until completion of the registration of the Grantee as the holder thereof. Subject to the aforesaid, Shares to be allotted and issued on the exercise of Awards shall be subject to the provisions of the Articles and shall carry the same rights in all respects and shall have the same dividend, other economic rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. The Board or the Plan Administrator may enforce restrictions on transfer for any Awards and also has right to deduct payments or proceeds from the award for tax payments due or other owed amounts in relation to the Awards.
- 3.12 There is no performance target which must be achieved by the Grantee before an Award can be exercised under the terms of this Plan save as otherwise imposed by the Board or the Plan Administrator as it thinks fit in the relevant offer.

*Maximum number of Shares available for subscription*

- 3.13 Subject to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all Award to be granted under this Plan, together with options and awards which may be issued under other share scheme(s) shall not in aggregate exceed 3% of the total number of Shares in issue, excluding treasury Shares (the “**Scheme Mandate Limit**”) as at the date of approval of this Plan, being 21,769,298 Shares, unless shareholders’ approval has been obtained pursuant to paragraphs 3.16 and 0. Awards lapsed or forfeited in accordance with the terms of this Plan will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- 3.14 Subject to paragraph 3.13, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Awards to be granted under this Plan, together with the options and awards which may be issued under other Chapter 17 compliant share scheme(s) to the Service Providers shall not exceed 0% of the total number of Shares in issue, excluding treasury Shares (the “**Service Provider Sublimit**”), being 0 Shares as at the date of approval of this Plan.
- 3.15 The Service Provider Sublimit was determined with reference to the potential dilution effect arising from grants to Service Providers, the actual or expected improvement of the Company’s financial performance is attributable to Service Providers and the time for using



the Service Provider in the activities of the Company. Considering the fact that there is no other share schemes involving grant of Awards over new Shares, organizational structures and that Service Providers have contributed or is expected to contribute to the long-term growth of the Company's business, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

- 3.16 The Board may, with the approval of the Shareholders in general meeting refresh the Scheme Mandate Limit and Service Provider Sublimit after three years from the date of the Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued upon the exercise of all Awards to be granted under this Plan and any other share schemes as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. Refreshments of the Scheme Mandate Limit (and the Service Provider Sublimit) to be made within a three-year period must be approved by the Shareholders in a manner in compliance with Rule 17.03C of the Listing Rules.
- 3.17 The Company may seek separate approval of the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit (and Service Provider Sublimit) provided the Awards in excess of the Scheme Mandate Limit and/or Service Provider Sublimit are granted only to Eligible Participants specifically identified by the Company before such approval is sought and the Company and in compliance with Chapter 17 of the Listing Rules in force from time to time.
- 3.18 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and Service Provider Sublimit have been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the share schemes (including this Plan) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.
- 3.19 The total number of Shares issued and to be issued in respect of all options and awards granted to each Eligible Participant under this Plan and any other share scheme(s) (excluding options and awards that have been lapsed in accordance with the terms of the Plan and any other share scheme(s)) in any 12-month period up to and including the date of such grant shall not in aggregate exceed 1% of the total number of Shares in issue (the "**1% Individual Limit**"). Any further grant of Awards an Eligible Participant in excess of the 1% Individual Limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person of the Company) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the options or awards to be granted (and those previously granted to such Eligible Participant in the 12-month period) and such other information required under the Listing Rules.
- 3.20 Where any grant of Awards to an Eligible Participant who is a service provider, substantial shareholder of the Company, chief executive, or director (other than an independent non-executive Director), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all share schemes (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) to such person in the 12-month period up to and including date of such grant representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting. Such grantee, his associates and all core connected persons of the Company must abstain from voting on the resolution to approve such further grant of options. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

### *Amendment*

- 3.21 The Board and the Plan Administrator may amend the Plan from time to time in accordance with the Listing Rules and applicable laws and regulations, and has the authority to make amendment to Awards granted before the amendment was made, except that:
- (a) any alterations to the terms and conditions of this Plan which are of a material nature or any change to the terms of Awards granted, except where the alterations take effect automatically under the existing terms of this Plan;
  - (b) any alterations to the advantage of the Eligible Participants or the Grantee (as the case maybe) relating to matters set out in rule 17.03 of the Listing Rules; and
  - (c) any change to the authority of the Directors or administrator of this Plan in relation to any alteration to the terms of this Plan,

which shall first be approved by the Shareholders in general meeting and provided that if the proposed alteration shall adversely affect any option granted or agreed to be Granted prior to the date of alteration, such alteration shall be further subject to the Grantees' approval.

- 3.22 Any change to the terms of Awards granted to an Eligible Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), save where the alterations take effect automatically under the existing terms of this Plan.
- 3.23 Notwithstanding anything to the contrary contained in paragraph 3.21, the Board may at any time alter or modify this Plan in any way to the extent necessary to cause this Plan to comply with any statutory provisions or the regulations of any regulatory or other relevant authority. Any alteration to any terms of this Plan or the Awards granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 3.24 Any subsequent amendments to Chapter 17 that are referenced or repeated within this Plan will automatically reflect these subsequent changes and this Plan will not retain any terms that are more restrictive than that reflected in the currently applicable rules under Chapter 17, and its subsequent amendments.

### **4 Duration.**

- 4.1 The Plan shall be valid and effective for a period of 10 years commencing on the adoption date, after which period no further Awards will be granted. However, the provisions thereof shall in all other respects remain in full force and effect and shall not affect the ability of the Plan Administrator to exercise the powers granted to him or her under the Plan with respect to the Awards granted under the Plan prior to the date of such termination.

### **5 Grant of Awards**

- 5.1 Subject to the rules of the Plan, the Board may at its discretion approve the grant of an Award to any Eligible Participant and to execute a Letter of Grant. Such Awards may be settled by the allotment and issue of newly issued Shares or transfer of treasury Shares, as determined by the Board at its discretion.



- 5.2 Subject to the rules of the Plan, the Board, and the Plan Administrator as authorized by the Board, shall be entitled (but shall not be bound) at any time and from time to time within the duration of the Plan to make an offer to any Eligible Participant as the Board or Plan Administrator may in its absolute discretion select, and subject to such conditions as the Board or the Plan Administrator may think fit to subscribe during the Option Period for such number of Shares as the Board or Plan Administrator may determine at the Exercise Price.
- 5.3 Any grant of Awards using new Shares to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Awards) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.
- 5.4 No consideration shall be payable for the grant of an Award.
- 5.5 Awards may not be granted at any time when that grant would be prohibited by, or in breach of any applicable law or regulation as determined by the Plan Administrator. In particular, after inside information has come to the knowledge of the Company until such inside information has been announced as required under the Listing Rules. Specifically, during the period commencing 30 days immediately preceding the earlier of:
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and
  - (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement. No Award may be granted during any period of delay in publishing a results announcement.
- 5.6 For the purposes of the grant of an Award, the Company shall issue to the Grantee a letter of grant (the "**Letter of Grant**") which shall specify (without limitation):
- (a) the Date of Grant of the Awards;
  - (b) the number of Shares over which the Award is granted;
  - (c) the Exercise Price and Security Amount, if applicable;
  - (d) the Vesting Date of the Award, if applicable;
  - (e) the latest date on which the Award may be exercised, if applicable;
  - (f) a statement that the Award is subject to the Plan; and
  - (g) the terms of the Vesting Condition that will apply to the Award, if applicable.

## 6 Limits on grants

- 6.1 The Plan Administrator shall have discretion to set such limit on the grant of Awards to Eligible Participants as it may determine to be appropriate, provided that the aggregate maximum number of Shares that may be issued to any individual Eligible Participant under



the Plan shall not exceed 1% of the total issued Shares over any 12-month period, unless separately approved by the shareholders of the Company.

6.2 Subject to any adjustment under rule 17, the aggregate maximum number of Awards that may be granted under this Plan shall not exceed the Scheme Mandate Limit. Awards lapsed or cancelled in accordance with the terms of this Plan will not be counted for the purpose of calculating the aggregate maximum number of Awards to be granted under this Plan. There is no specific limit on the maximum entitlement of each participant under the Plan.

6.3 For US taxable persons, the grant of Awards under this Plan are intended to be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986 (the “Code”) and the regulations and guidance promulgated thereunder (collectively, “Section 409A”) and will be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Plan, payments provided under this Plan may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. For purposes of Section 409A, each installment payment provided under this Plan will be treated as a separate payment. To the extent that any provision of this Plan is ambiguous as to its compliance with Section 409A, the provision will be read in such a manner so that such provision shall comply with Section 409A.

## **7 Vesting of Options and exercise of Options**

7.1 An Option shall, subject to rule 7.5, become vested on the Vesting Date.

7.2 At any time after grant of an Option, the Plan Administrator may, in his or her sole discretion and subject to whatever terms and conditions he or she selects, accelerate the period during which an Option vests.

7.3 The extent to which an Option shall vest shall be dependent upon the satisfaction of the Vesting Condition as determined by the Plan Administrator and as set out in the Letter of Grant.

7.4 In the event that a Vesting Condition relating to corporate performance is required to be assessed prior to the Vesting Date, the Plan Administrator may make such assessment on the basis of such information (not limited to published accounts) as he or she determines to be appropriate. In such circumstances the extent of vesting will be time pro-rated to reflect the period between the Date of Grant and the date of the relevant event, relative to the period between the Date of Grant and the normal Vesting Date.

7.5 For the avoidance of doubt, unless the Plan Administrator in his or her absolute discretion determines otherwise, an Option shall lapse to the extent that any applicable Vesting Condition has not been met, as determined by the Plan Administrator.

7.6 No later than two weeks prior to the Vesting Date (or where the Vesting Date is the Date of Grant, on the Date of Grant), the Plan Administrator will provide the Grantee with a certificate confirming the number of Shares over which the Option is due to vest and the Grantee shall, within such period as may be specified by the Plan Administrator and in such manner as may be required by the Plan Administrator:

- (a) acknowledge the vesting of such number of Shares and, to the extent relevant, the lapse of the remainder of the Option;
- (b) exercise the Option, conditional upon a Sale occurring;

- (c) grant a power of attorney in favour of the Company for all purposes necessary and required in connection with the operation of the Plan; and
- (d) transfer the aggregate Security Amount, if any, payable for conditional exercise of the Option to the Designated ADICON Entity.

In the event that the Grantee fails to provide such acknowledgment or power of attorney or transfer the Security Amount, the Option shall immediately lapse (unless the Plan Administrator determines otherwise).

- 7.7 Conditional exercise of an Option is to be by notice in writing addressed to the Company in the form determined by the Company, specifying the number of Shares in respect of which the Option is being conditionally exercised, the arrangements for the payment in full of the Security Amount and any arrangements as the Company shall determine in its discretion in connection with rule 14.1.
- 7.8 A Grantee shall not transfer, assign, pledge, charge or otherwise dispose of, or grant any form of security or other interest over, any of the Shares in respect of which an Option has been exercised until a Sale (unless the Plan Administrator determines otherwise).
- 7.9 The Designated ADICON Entity will hold the Security Amount on behalf of a Grantee pending a Sale as provided under rule 12. Neither the Company nor any Designated ADICON Entity is obliged to return the Security Amount to the Grantees unless in the circumstances specifically provided in this Plan.
- 7.10 Notwithstanding the provisions of this rule 7 and rule 12, if the Plan Administrator is satisfied in his or her absolute discretion that a Grantee is able to exercise and pay the Exercise Price directly to the Company in compliance with all applicable law, the Plan Administrator may request the relevant Grantee to exercise his or her Option on an unconditional basis and once requested by the Plan Administrator in accordance with the foregoing provisions, the Grantee shall exercise his or her Option in such manner as the Plan Administrator may direct.

## **8 Vesting of RSUs and Exercise of RSUs**

- 8.1 The Plan Administrator may determine the Vesting Conditions and the time schedule when the RSUs will vest and such Vesting Conditions and time schedule shall be stated in the Letter of Grant.
- 8.2 Within a reasonable time after the Vesting Conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board shall send a vesting notice to each of the relevant Grantees. The vesting notice will confirm the extent to which the Vesting Conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (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) involved.
- 8.3 RSUs held by a Grantee that are vested as evidenced by the vesting notice may be exercised (in whole or in part) by the Grantee serving an exercise notice in writing on the Plan Administrator and copied to the Company. Any exercise of RSUs must be in respect of a board lot or an integral multiple thereof (except where the number of RSUs which remains unexercised is less than one Board Lot). Upon receipt of an exercise notice, the Plan Administrator may decide at his or her absolute discretion to:
  - (a) direct and procure the Trustee to, within a reasonable time, transfer the Shares underlying the RSUs exercised (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 which the Company has allotted and issued to the Trustee as fully paid up Shares, subject to the Grantee paying the exercise price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs; or

- (b) pay, or direct and procure the Trustee to, within a reasonable time, pay, to the Grantee in cash an amount which represents the value of the Shares underlying the RSUs exercised on or about the date of exercise (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) less any exercise price (where applicable) and after deduction or withholding of any tax, levies, stamp duty and other charges applicable to the entitlement of the Grantee and the sale of any Shares to fund such payment and in relation thereto.

## **9 Rights attached to Awards**

- 9.1 A Grantee does not have any contingent interest in any Shares underlying the Awards unless and until the underlying Shares are actually transferred to the Grantee. Further, a Grantee may not exercise voting rights in respect of the Shares underlying the Awards prior to their exercise and, unless otherwise specified by the Board in its entire discretion in the Letter of Grant to the Grantees, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the Awards.

## **10 Lapse of Awards**

- 10.1 Subject to other relevant rules of this Plan (including rule 6.2, rule 7, rule 11, rule 13 and rule 18), an Award shall lapse (such that the Award shall not be capable of exercise, whether conditionally or unconditionally) immediately on the first to occur of:
  - (a) as set out in rules 7.5 and 7.6 above;
  - (b) as set out in rules 11.1, 11.2 and 11.5;
  - (c) any attempted action by the Grantee falling within rule 18 or 19;
  - (d) as set out in rule 13.1; or
  - (e) the Grantee becoming bankrupt; or
  - (f) the expiry of the Option Period.

## **11 Cessation of Employment**

- 11.1 If a Grantee becomes a Bad Leaver following the date of Grant but prior to the unconditional exercise or cancellation of his or her Award under rule 12, his or her Award (whether vested or unvested) shall lapse immediately on the date he or she becomes a Bad Leaver and any Security Amount paid by the Grantee in respect of such Award shall be released and transferred by the Designated ADICON Entity to the Grantee (save that the Company shall be entitled, in its absolute discretion, to make a deduction from such amount payable in respect of any damage or loss incurred (or likely to be incurred) by any Group Company that the Plan Administrator or the Company believes has been caused by the Bad Leaver).
- 11.2 If a Grantee becomes a Good Leaver following the date of Grant but prior to the unconditional exercise or cancellation of his Award under rule 12:

- (a) any unvested Award shall lapse immediately on the date he or she becomes a Good Leaver;
  - (b) any vested but unexercised Award shall remain capable of exercise or cancellation subject to the remainder of this Plan.
- 11.3 If a Grantee becomes a Bad Leaver following the unconditional exercise of his or her Award, any Shares acquired upon the exercise of his or her Award shall be sold to the Company (or as the Plan Administrators may otherwise direct) for the Exercise Price payable in respect of such Shares (and the Company shall be entitled, in its absolute discretion, to make a deduction from such amount payable in respect of any damage or loss incurred (or likely to be incurred) by any Group Company that the Plan Administrator or the Company believes has been caused by the Bad Leaver).
- 11.4 If a Grantee becomes a Good Leaver following the unconditional exercise of his or her Award, the Shares shall, subject to the remainder of this Plan, continue to be held by the Grantee.
- 11.5 If a Grantee breaches any confidentiality obligations imposed on him or her in respect of any Group Company (whether pursuant to his or her employment contract, any settlement agreement or otherwise):
  - (a) any Shares held by such Grantee pursuant to the exercise of his or her Award shall be sold to the Company (or as the Plan Administrators may otherwise direct) for the Exercise Price payable in respect of such Shares (and the Company shall be entitled, in its absolute discretion, to make a deduction from such amount payable in respect of any damage or loss incurred (or likely to be incurred) by any Group Company that the Plan Administrator or the Company believes has been caused by the Grantee); and
  - (b) any Award that has not been unconditionally exercised and still held by such Grantee shall immediately lapse and any Security Amount paid by the Grantee in respect of such Award shall be released and transferred by the Designated ADICON Entity to the Grantee (and the Company shall be entitled, in its absolute discretion, to make a deduction from such amount payable in respect of any damage or loss incurred (or likely to be incurred) by any Group Company that the Plan Administrator or the Company believes has been caused by the Grantee).
- 11.6 In the event that the Grantee holds any interest in, or is engaged or otherwise concerned in any way in any business concern which is in competition with the business of the Company or any of its Affiliates or holds any interest in, or is engaged or otherwise concerned in any way in any business concern of any of the Affiliates of the Company (as determined by the Company in its sole and absolute discretion), as agent, consultant, director, employee, worker, owner, partner or shareholder (the “**Competing Interests**”), the Grantee shall, within no later than one month from receipt of the Letter of Grant, (A) disclose to the Company all relevant information, including but not limited to (i) the name of the business concern, (ii) the description of such business concern, (iii) the geographical area of such business concern, (iv) the interests in such business concern, if any, (v) whether the Grantee is engaged or concerned in the operation of such business concern, (vi) the estimated time of disposal, cessation or termination of all such Competing Interests or the reasons for being unable to so dispose of, cease or terminate such Competing Interests, and (vii) any other information the Grantee deems relevant for the Company; (B) undertake to so dispose of, cease or terminate such Competing Interests by the end of the year in which such Letter of Grant is issued and report to the Company such disposal, cessation or termination within no later than one week from such disposal, cessation or termination; and (C) undertake not to be interested or otherwise



engaged or concerned in any business concern which is in competition with the business of the Company or any of its Affiliates or be interested or otherwise engaged or concerned in any business concern of any of the Affiliates of the Company (as determined by the Company in its sole and absolute discretion), as agent, consultant, director, employee, worker, owner, partner or shareholder. The grant of the Award to the Grantee will be void *ab initio* if he or she fails to comply with this Rule 11.6.

## **12 Cancellation of Awards upon a Sale**

### **12.1 In the event of a Sale:**

- (a) all Awards (whether vested, unvested or conditionally exercised) shall be automatically cancelled upon completion of the Sale (if applicable, to the extent determined in accordance with Rule 7.4);
- (b) the Grantee shall only be entitled to a cash payment from or on behalf of the Company which shall be equal to the number of Shares over which the Award is cancelled multiplied by the consideration payable in respect of such number of Shares pursuant to the Sale (as determined by the Plan Administrator) less the aggregate Exercise Price payable to exercise the Award, relevant expenses and any liabilities arising under rule 14 below;
- (c) the Designated ADICON Entity will release and transfer the Security Amount to the Grantee; and
- (d) Notwithstanding the above, the Company or the Plan Administrator may permit a Grantee to unconditionally exercise the Awards prior to the Sale in such way that the Company or the Plan Administrator may direct and to the extent permitted by applicable law.

## **13 Liquidation**

### **13.1 In the event of the liquidation of the Company:**

- (a) any unvested or vested and conditionally exercised Awards shall lapse in full;
- (b) any resulting Shares acquired upon the unconditional exercise of each Award shall be sold to the Company (or as the Plan Administrators may otherwise direct) for a consideration equal to the Exercise Price(s) in respect of such Shares; and
- (c) with respect to the vested and conditionally exercised Awards, the Company shall cause the Security Amount(s) in respect of the Shares over which the Awards lapsed to be repaid to the Grantee.

## **14 Tax Liabilities**

- 14.1 If a Tax Liability arises in connection with an Award, the Grantee shall, as a condition of exercising the Award, enter into such arrangements as the Company shall determine in its discretion for the purpose of ensuring that the Grantee discharges such Tax Liability and, without prejudice to the generality of the foregoing, the Company or the Trustee may sell a sufficient number of Shares on exercise of the Award and/or the Company may require the Grantee to remit to the Company, and/or otherwise deduct from amounts due to the Grantee, an amount sufficient to satisfy the Tax Liability.

- 14.2 For the purpose of rule 14.1, a “**Tax Liability**” shall mean any tax, duties (including stamp duty), social security contributions or any other amount for which the Grantee becomes liable and in respect of which a Group Company is liable to make a payment to any taxation or other authority on account of the liability.

## **15 Malus and Clawback**

- 15.1 If circumstances (including but not limited to those set forth in rule 15.3) occur which, in the reasonable opinion of the Plan Administrator, justify a reduction in the number of Shares subject to one or more Awards that have not been unconditionally exercised, the Plan Administrator may, in his or her discretion at any time before an Award is unconditionally exercised, determine that the number of Shares in respect of which an Award is granted shall be reduced to such number (including to nil) and/or to reduce any future Awards or not grant any future Awards, in any case as the Plan Administrator considers appropriate in the circumstances.
- 15.2 If circumstances (including but not limited to those set forth in 15.3) occur which, in the reasonable opinion of the Plan Administrator, justify a reduction in the number of Shares subject to one or more Awards that have already been unconditionally exercised, the Plan Administrator may, in his or her discretion determine (acting fairly and reasonably) that the Grantee should repay to the Company by (i) re-transfer of Shares (to the extent permitted by applicable law), (ii) withholding the transfer of Shares where such transfer has not occurred, (iii) payment of cash proceeds, or (iv) deductions from or set-offs against any amounts owed to the Grantee by any Group Company an amount equal to the benefit, calculated on an after-tax basis, received or to be received by the Grantee from such exercise, provided that the Plan Administrator may, at his or her discretion, determine that a lesser amount should be repaid. Each Grantee shall be deemed to undertake, as a condition of participation in the Plan, to re-transfer Shares or re-pay cash in order to comply with this rule and to expressly authorise deductions from or set-offs against any amounts owed to the Grantee by any Group Company.
- 15.3 The circumstances in which the Plan Administrator may consider that it is appropriate to exercise his or her discretion under rules 0 or 15.2, may, without limitation, include the negligence, fraud or misconduct of a Grantee which, in the opinion of the Plan Administrator, results in or is reasonably likely to result in:
- (a) significant reputational damage to the Company, any other Group Company or to a relevant business unit (as appropriate);
  - (b) a material adverse effect on the financial position of the Company, any other Group Company or to a relevant business unit (as appropriate);
  - (c) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of the Company, any other Group Company or relevant business unit (as appropriate); or
  - (d) the prior calculation of any applicable Vesting Condition relating to corporate performance being inaccurate.

## **16 Relationship with employment contract**

- 16.1 Participation in the Plan by a Grantee is a matter entirely separate from, and shall not affect, his or her pension rights and/or terms of employment with or engagement by the Company and, in particular (but without prejudice to the generality of the foregoing), the Grantee shall have no claim against the Company under this Plan in connection with:

- (a) the termination of his or her employment or engagement, or any office held by the Grantee with the Company; or
- (b) the Grantee or the Company giving notice to terminate the Grantee's employment or engagement or any such office,

in each case howsoever arising or effected, and the relevant Grantee shall not be entitled to any compensation by reference to the rights granted to him or her, or the benefits capable of being received by him or her, under this Plan or otherwise or for any loss or diminution in value of such rights or benefits.

- 16.2 Any person to whom an Award has previously been granted shall not by virtue of that Award grant and participation in the Plan have any right to be granted further Awards under the Plan.

## **17 Variation of share capital**

- 17.1 In the event of any alteration in the capital structure of the Company whilst any Award may become or remains exercisable, whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, such corresponding adjustments (if any) shall be made in the number of Shares subject to the Award so far as unexercised, Exercise Price per Share of any outstanding Award and/or the maximum numbers of Shares in respect of which Awards may be granted. The Auditors or the Financial Adviser shall confirm in writing to the Board that such adjustment satisfies the requirements of Rule 17.03(13) of the Listing Rules and the note thereto and any applicable guidance and/or interpretation of the Listing Rules issued from time to time, except where such adjustment is made on a capitalization issue.
- 17.2 Any adjustment made under rule 17.1 shall be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment and the aggregate exercise price payable on full exercise of any Award is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such adjustment will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction is not to be regarded as a circumstance requiring any such adjustment.
- 17.3 Upon any adjustment made pursuant to rule 17.1, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, the Company shall, upon receipt of a notice from a Grantee in accordance with rule 3.9, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid confirmation obtained by the Company for such purpose or, if no such confirmation has yet been obtained, inform the Grantee of such fact.

## **18 Transfers of Awards**

- 18.1 Any Award granted shall be personal to the Grantee and shall not be capable of being transferred by him, save that in the event of his or her death, his or her personal representatives shall receive the benefit of his or her Award, or if approved by the Plan Administrator in his or her sole discretion.
- 18.2 Any purported transfer shall be void and shall immediately cause the Award to lapse.

## **19 Transfers of Shares**



19.1 The Grantee shall only transfer Shares as directed by the Plan Administrator. Any resulting Shares acquired upon the exercise of a Grantee's Awards shall not be capable of being transferred by him or her prior to a Sale, save that in the event of his or her death, his or her personal representatives shall receive the benefit of his or her Shares.

19.2 Any purported transfer shall be void and shall immediately result in the Plan Administrators being able to direct that such Shares shall be sold to the Company (or as the Plan Administrators may otherwise direct) for the lower of the Exercise Price(s) payable in respect of such Shares and the then current fair market value of such Shares (as determined by the Plan Administrators, acting reasonably).

## **20 Governing law and Jurisdiction**

20.1 The Plan shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the People's Republic of China.

20.2 The courts of the Hong Kong Special Administrative Region of the People's Republic of China shall have exclusive jurisdiction to determine any dispute which may arise out of, or in connection with, the Plan.

## **21 Data protection**

21.1 By participating in the Plan, the Grantee consents to the collection, processing, transmission and storage by the Company or the Plan Administrator in any form whatsoever, of any data of a professional or personal nature which is necessary for the purposes of introducing and administering the Plan. The Company or Plan Administrator may share such information with any Group Company, its registrars, brokers, other third party administrator or any person who obtains control of the Company or acquires the company, undertaking or part-undertaking which employs the Grantee, whether within or outside of the Hong Kong Special Administrative Region of the People's Republic of China unless it is prohibited by applicable law, and by participating in the Plan the Grantee expressly consents to such cross-border transmission of data.

21.2 By participating in the Plan, the Grantee consents to the disclosure of the details of the Awards granted under the Plan for the purposes of compliance with the Listing Rules.

## **22 Termination**

22.1 The Company may by resolution in general meeting or the Board may at any time terminate the operation of this Plan and in such event no further Awards shall be offered or granted but the provisions of this Plan shall remain in force to the extent necessary to give effect to the exercise of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Plan. Awards granted prior to such termination but not yet exercised at the time of the termination shall either (a) continue to be valid and exercisable in accordance with the relevant terms of the grant and the provisions of this Plan or (b) be cancelled in accordance with paragraph 23.

22.2 Details of the Awards granted, including Awards exercised or outstanding, under this Plan and (if applicable) Awards that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established or refreshment of the Scheme Mandate Limit under any existing scheme after such termination.

## **23 Cancellation**

- 23.1 Any cancellation of Awards granted but not exercised must be approved by the Board or Plan Administrator.
- 23.2 Where the Company cancels Awards and makes a new grant of Awards to the same Grantee, such new grant of the Awards may only be made under this Plan with available scheme mandate within the Scheme Mandate Limit and Service Provider Sublimit.
- 23.3 Options cancelled in accordance with the terms of the Plan will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- 24 General**
- 24.1 The Company shall at all times keep available sufficient authorised share capital to meet the exercise of subsisting Awards granted under the Plan.
- 24.2 Any Shares purchased pursuant to the exercise of Awards shall, in addition to the rules of this Plan, be governed by the Articles and all rights and restrictions that apply to the Shares. It shall be a condition of exercise that the Grantee, if required by the Plan Administrator, shall on exercise of the Award enter into any shareholders agreement or agreements that apply to the Company.
- 24.3 The Company is liable for the costs of introducing, operating and administering the Plan, including, but not limited to, those costs relating to the transfer of Shares on exercise of the Award (excluding any liabilities arising under rule 14 above and stamp duty costs).
- 24.4 In the event of a dispute or disagreement as to the interpretation of the Plan, the decision of the Plan Administrator shall be final and binding.
- 24.5 Any grant of Award under the Plan is subject to such consent, if any, of any authorities in any jurisdiction as may be required, and the Grantee shall be responsible for complying with the requirements to obtain or obviate the necessity for such consents.
- 24.6 The terms of any individual's office or employment with any past or present Group Company, and the rights and obligations of the individual thereunder, shall not be affected by his or her participation in the Plan and the Plan shall not form part of any contract of employment between the individual and any such company. For the avoidance of doubt, the grant of Awards under this Plan to any director of the Company pursuant to his or her service contract is fully exempt under Chapter 14A of the Listing Rules
- 24.7 An Eligible Participant shall have no right to request for an Award under the Plan.
- 24.8 By participating in the Plan, the Grantee waives all and any rights to compensation or damages in consequence of the termination of his or her office or employment with any past or present Group Company, insofar as those rights arise or may arise from his or her ceasing to have rights under the Plan as a result of such termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan, any determination by the Plan Administrator pursuant to a discretion contained in the Plan or the provisions of any statute or law relating to taxation.
- 24.9 Benefits under the Plan shall not form part of a Grantee's remuneration for any purpose and shall not be pensionable.
- 24.10 The invalidity or non-enforceability of any provision or rule of the Plan shall not affect the validity or enforceability of the remaining provisions and rules of the Plan which shall continue in full force and effect.