Adopted on September 19, 2024 and amended on March 31, 2025 and [*], 2026

AMENDED AND RESTATED

RULES RELATING TO THE

SHARE OPTION AND RSU

SCHEME OF

Phancy Group Co., Ltd.
(範式智能技術集團股份有限公司)

CONTENTS

1. DEFINITIONS AND INTERPRETATION

1.1 In these Scheme Rules, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“**1% Individual Limit**” shall have the meaning as set out in Rule 14.4;

“**0.1% Limit**” shall have the meaning as set out in Rule 14.4;

“**Actual Selling Price**” an amount that is equal to the actual price at which the H Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and any other applicable costs) on exercise of an Option or vesting of an RSU pursuant to the Scheme;

“Award” an Option or an RSU granted or to be granted under the Scheme;

“Award Share(s)” H Share(s) underlying an Award, comprising new H Shares to be allotted and issued by the Company and/or treasury H Shares to be transferred out of treasury by the Company;

“**Adoption Date**” 19 September 2024, being the date on which the Scheme was approved by the Shareholders in the relevant general meeting(s) as required under the Articles;

“**AFRC**” the Accounting and Financial Reporting Council;

“**Applicable Laws**” all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law of the PRC, the Securities Law of the PRC, the SFO, the Listing Rules or the relevant provisions of the Articles;

“**Articles**” the articles of association of the Company, as amended from time to time;

“**associate**” shall have the meaning as set out in the Listing Rules;

“**Auditors**” the auditors for the time being of the Company;

“Award” an Option or an RSU granted or to be granted under the Scheme;

“Award Share(s)” H Share(s) underlying an Award, comprising new H Shares to be allotted and issued by the Company and/or treasury H Shares to be transferred out of treasury by the Company;

“**Board**” the board of directors of the Company (please also refer to Rule 1.2(f)), from time to time;

“**Business Day**” any day on which the Stock Exchange is open for the business of dealing in securities;

“**Company**” Phancy Group Co., Ltd. (範式智能技術集團股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange

	(Stock Code: 6682);
"**connected person**"	shall have the meaning as set out in the Listing Rules;
"**Disability**"	permanent and total disability, determined by the Board in accordance with non-discriminatory standards as adopted by the Board from time to time;
"**Eligible Person**"	an Employee Participant or a Related Entity Participant, whom the Board or the Scheme Administrator consider(s), in their sole discretion, to have contributed or will contribute to the Group;
"**Employee Participant**"	any PRC or non-PRC director (including executive, non-executive and independent non-executive director) and employee (whether full-time or part-time) of the Company or any of its subsidiaries, and including any person who is granted Awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries; however, no individual who is resident in a place where the grant, acceptance, vesting, or exercise of an Award pursuant to the Scheme is not permitted under the laws and regulations in such place or makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded therefrom;
"**Exercise Price**"	the price per H Share, determined by the Board or the Scheme Administrator, at which a Participant may subscribe for H Shares on the exercise of an Option as described in Rule 8.3;
"**Grant Date**"	the date on which the grant of an Award is made to a Participant, being the date of an Offer Letter in respect of such Award;
"**Grantee**"	any Eligible Person who accepts an Offer in accordance with the terms of the Scheme;
"**Group**"	the Company and its subsidiaries from time to time, and the expression "**member of the Group**" shall be construed accordingly;
"**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong;
"**H Share(s)**"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK$;
"**Hong Kong**"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Listing"	the listing of the H Shares on the Stock Exchange;

“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Date”	the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to take place on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“**Offer**”	shall have the meaning as set out in Rule 8.1;
“**Offer Letter**”	shall have the meaning as set out in Rule 8.1;
“**Option**”	a right to subscribe for such number of H Shares pursuant to the Scheme;
“**Option Period**”	the period within which a Participant may exercise an Option, to be determined and notified by the Board (or the Scheme Administrator) to a Participant;
“**Participant**”	any Eligible Person who is approved for participation in the Scheme and who has been granted any Award pursuant to Rule 6.1;
“**Related Entity Participant**”	directors and employees of associated companies of the Company;
“**PRC**”	the People’s Republic of China (for purpose of the Scheme, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“**RMB**” or “**Renminbi**”	Renminbi Yuan, the lawful currency of China;
“**RSU**”	a restricted share unit, representing one underlying H Share, and representing a conditional right granted to a Grantee to be vested with the underlying H Share (or the net sale proceeds thereof) pursuant to the Scheme;
“**Scheme**”	the share option and RSU scheme adopted by the Company on the Adoption Date, as amended in accordance with these Scheme Rules from time to time;
“**Scheme Administrator**”	the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Scheme;
“**Scheme Limit**”	shall have the meaning set out in Rule 14.1, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules;
“**Scheme Period**”	a period of ten (10) years commencing from the date on which the Scheme is approved by the Shareholders at the Adoption Date, unless terminated earlier in accordance with the Scheme Rules;
“**Scheme Rule(s)**”	the rules set out herein relating to the Scheme as amended from time to time;
“**SFC**”	the Securities and Futures Commission of Hong Kong;
“**SFO**”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“**Shareholder(s)**”	the shareholders of the Company;

"**Share(s)**"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**subsidiary**" or "**subsidiaries**"	any subsidiary (as the term is defined in the Listing Rules) of the Company;
"**substantial shareholder(s)**"	shall have the meaning as set out in the Listing Rules;
"treasury shares"	has the meaning ascribed to it in the Listing Rules;
"**Trust**"	any trust established by the Company for the administration of the Scheme;
"**Trust Deed**"	any trust deed entered into between the Company and the Trustee for the administration of the Scheme;
"**Trustee**"	any trustee appointed by the Company to hold H Shares and other trust property for the purposes of the Scheme;
"%"	per cent.

1.2 In these Scheme Rules, except where the context otherwise requires:

(a) references to Rules are to rules of the Scheme Rules;

(b) references to times of the day are to Hong Kong time;

(c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;

(d) a reference to "**dollars**" or to "**$**" shall be construed as a reference to the lawful currency for the time being of Hong Kong;

(e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;

(f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to a committee of the Board, the committee of the Board shall enjoy the same absolute discretion;

(g) a reference to "**include**", "**includes**" and "**including**" shall be deemed to be followed by the words "**without limitation**";

(h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;

(i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation;

(j) references to any statutory body shall include the successor thereof and anybody established to replace or assume the functions of the same; and

(k) references to new shares or new securities include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares.

2. PURPOSES OF THE SCHEME

2.1 The purposes of the Scheme are:

(a) to attract, motivate and retain skilled and experienced personnel who are Eligible Persons to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;

(b) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management and other Eligible Persons; and

(c) to (i) recognize the contributions of Eligible Persons, including the Employee Participants and the Related Entity Participants; (ii) encourage, motivate and retain Eligible Persons whose contributions are beneficial, or are expected to be beneficial, to the continual operation, development and long-term growth of the Group; and (iii) provide additional incentive for such Eligible Persons by aligning their interests with those of the Shareholders and the Group as a whole.

3. CONDITIONS

3.1 The amendments to the Scheme shall take effect upon the passing of the relevant resolution(s) by the Shareholders to approve the amendments to the Scheme and to authorize the Board (or the Scheme Administrator) to grant Awards under the Scheme as amended and to allot and issue, transfer out of treasury, and otherwise deal with the H Shares in connection with the Scheme.

3.2 In addition, the Participants are determined in accordance with the Applicable Laws and regulatory documents and the relevant provisions of the Articles, together with the actual circumstances and matters of the Company including the present and expected contribution of the relevant Participant to the Group. No person shall be considered as a Participant of the Scheme if he or she:

(a) has been publicly reprimanded or deemed as an inappropriate candidate for similar share schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last twelve (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 twelve (12) months;

(c) is prohibited from serving as a Director or the senior management of the Company under the Company Law of the PRC;

(d) is prohibited by any Applicable Laws to participate in share schemes or share incentive plans of a listed company.

The Participants shall undertake that if any of the above provisions occur during implementation of the Scheme which would prevent them from being considered as a Participant, they shall give up their rights to participate in the Scheme and shall not be given any compensation.

4. DURATION

4.1 Subject to Rule 18, the Scheme shall be valid and effective for the Scheme Period (after which no further Awards may be granted under the Scheme). For the avoidance of doubt, Awards granted during the life of the Scheme shall continue to be valid and exercisable or vestable in accordance with their terms of grant and the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise or vesting of Awards granted prior to the expiration of the Scheme.

5. ADMINISTRATION

5.1 The Scheme shall be subject to the administration of the Board or the Scheme Administrator in accordance with the Scheme Rules. A decision of the Board or the Scheme Administrator shall be final and binding on all persons affected thereby.

5.2 The authority to administer the Scheme may be delegated by the Board to the Scheme Administrator at the sole discretion of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1.

5.3 Subject to the Scheme Rules and any Applicable Laws, the Board and the Scheme Administrator shall have the power from time to time to:

(a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;

(b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;

(c) grant Awards to those Eligible Persons whom it shall select from time to time;

(d) determine the number and type of Awards to be granted;

(e) determine the terms and conditions of the Awards, including, in respect of Options, the Exercise Price and the vesting conditions, and, in respect of RSUs, the vesting conditions and any consideration payable for the underlying Award Shares, and make any such appropriate adjustments to the terms of the Awards granted as it deems necessary or appropriate;

(f) determine, in accordance with the Scheme Rules, whether and to what extent an Award has lapsed, been cancelled, forfeited and/or surrendered;

(g) determine the commencement and/or termination date of an Eligible Person's employment, office or engagement with any member of the Group or any associated company of the Company;

(h) where applicable, establish and administer performance targets in respect of the Scheme;

(i) approve the form of an Offer Letter (which does not need to be identical for every Participant);

(j) decide any other matters that need to be determined in connection with an Offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the Scheme;

(k) take such other steps or actions to give effect to the terms and intent of the Scheme Rules and/or the Awards;

(l) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

5.4 None of the directors of the Company or any Scheme Administrator shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall, to the extent not prohibited by any Applicable Laws, indemnify and hold harmless each member of the Board and any Scheme Administrator to whom the Board has delegated its authority in relation to the administration or interpretation of the Scheme, 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 the Scheme unless arising out of such person's own willful default, fraud or bad faith.

5.5 The Company may appoint trustee(s) under the Scheme from time to time in relation to the administration of the Scheme, in which case the Company will enter into trust deed(s) with the relevant trustee(s). For the avoidance of doubt, the Grantee(s) shall bear the costs and expenses of establishing and administering the trust(s) established under the Scheme.

5.6 If and to the extent that the Trustee holds any unvested H Shares under the Scheme, whether directly or indirectly, the Trustee shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such direction is given.

6. OPERATION OF THE SCHEME

6.1 The Board (or the Scheme Administrator) may, from time to time, select any Eligible Person to be a Participant and, subject to Rule 6.3, grant such Awards (which may take the form of Options or RSUs) to such Participant during the Scheme Period. The nature, amount, terms and conditions of any such Awards so granted shall be determined by the Board (or the Scheme Administrator) in its sole and absolute discretion, subject to these Scheme Rules.

6.2 In determining the Participants, the Board (or the Scheme Administrator) may take into consideration matters including (but not limited to) the present and potential contribution of the relevant Participant to the Group.

6.3 Notwithstanding the provision in Rule 6.1, no grant of any Awards to or for the benefit of any Participant may be made:

(a) in any circumstances where the requisite approval from any applicable regulatory authorities has not been granted, provided that to the extent permissible under Applicable Laws, an Award may be made conditional upon such approval being obtained;

(b) in any circumstances where any member of the Group will be required under Applicable Laws to issue a prospectus or other offer documents in respect of such grant or the Scheme;

(c) where such Offer would result in a breach by any member of the Group or its directors of any Applicable Laws in any jurisdiction;

(d) (save where relevant waiver(s) from the Stock Exchange and/or the required approval of the Shareholders have been obtained) where such grant of Award would result in a breach of the Scheme Limit, the 1% Individual Limit or the 0.1% Limit as set out in

Rule 14, or the minimum public float requirement as required under the Listing Rules (or the minimum percentage of public float as prescribed by the Stock Exchange), or would otherwise cause the Company to issue or transfer H Shares in excess of the permitted amount in the mandate approved by the Shareholders; and/or

(e) where an Award is granted to, or for the benefit of, a connected person of the Company and will require specific approval of the Shareholders under the Listing Rules, until such Shareholders' approval is obtained, provided that to the extent permissible under Applicable Laws, such Offer may be made conditional upon such Shareholders' approval being obtained,

and any such grant so made (or made without the necessary conditions as contemplated above) shall be null and void to the extent (and only to the extent) that it falls within any of the circumstances described above.

7. TIMING OF OFFER

7.1 No Awards shall be granted to a Participant under the Scheme:

(a) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information;

(b) in circumstances prohibited by the Listing Rules or where dealings by the Participant will be prohibited under any code or requirement of the Listing Rules or any Applicable Laws;

(c) during the period commencing 30 days immediately before the earlier of:

(i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement.

7.2 In addition to the restrictions set out in Rule 7.1, no Awards shall be granted to any director of the Company under the Scheme on any day on which the financial results of the Company are published and:

(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional (for example, where a pressing financial commitment has to be met) and otherwise in accordance with the Listing Rules.

7.3 In respect of the administration and implementation of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules.

8. OFFER LETTER

8.1 The Company shall, in respect of the offer of each Award (the "Offer"), on the grant date issue a letter to each Participant in such form as the Board (or the Scheme Administrator) may from time to time determine, which may specify the type of Award, the number of Awards and corresponding Award Shares, the vesting period, any vesting criteria and conditions (where applicable), the date by which the grant must be accepted and such other details as the Board (or the Scheme Administrator) may consider necessary, and requiring the Participant to undertake to be bound by the terms and provisions of the Scheme Rules (an "Offer Letter").

8.2 The Board (or the Scheme Administrator) may determine the amount payable (if any) on an application or acceptance of an Award and the period(s) within which any such payments must be made. Subject to Applicable Laws, the consideration to be paid (if any) for the H Shares underlying the Awards, including the method of payment, shall also be determined by the Board (or the Scheme Administrator) as it deems appropriate. Where new H Shares are to be allotted and issued pursuant to the vesting of an RSU, the consideration payable for such H Shares shall not be less than the nominal value of the relevant H Shares unless otherwise permitted by Applicable Laws. Such consideration may, to the extent permitted by Applicable Laws, be satisfied by deduction from any amount payable by the Company or any member of the Group to the Grantee.

8.3 In respect of Options, the Board (or the Scheme Administrator) shall determine and notify the Participant in the Offer Letter:

(a) the Exercise Price in respect of such Options, provided that such Exercise Price must be at least the higher of:

(i) the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange on the Grant Date;

(ii) the average of the official closing price of the H Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) Business Days immediately preceding the Grant Date; and

(iii) the nominal value of an H Share,

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent; and

(b) the Option Period for such Options, provided that the Option Period shall in any event be not longer than 10 years from the Grant Date. An Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the Option Period.

8.4 Save as otherwise set out in the Offer Letter:

(a) a Participant shall have 14 Business Days from the Grant Date to accept the Offer. A Participant may accept an Offer by giving a written notice of acceptance to the Company, together with remittance in favor of the Company of the consideration payable (if any) upon the grant of the Awards;

(b) an Offer may be accepted in respect of any number of Awards up to the number in respect of which the Offer is offered; and

(c) to the extent that the offer of an Award is not accepted within the time and in the manner as set out in this Rule, the Offer will be deemed to have been irrevocably declined and shall lapse, unless the Board in its sole and absolute discretion determines otherwise.

9. EXERCISE OF OPTIONS AND VESTING OF RSUS

9.1 Subject to the Listing Rules, Applicable Laws and the provisions of Rules 9.2 and 9.3, upon the exercise of Options or the vesting of RSUs, the Company may satisfy the relevant Award by one or a combination of the following ways:

(a) allot and issue new H Shares and/or transfer treasury H Shares out of treasury to the Grantee or to the order of the Grantee, including to the Trustee where the Trustee is to hold such H Shares on behalf of the relevant Grantee in accordance with the Scheme Rules and the Trust Deed;

(b) if (i) the Grantee elects in the manner permitted by the Board (or the Scheme Administrator), or (ii) where, at the determination of the Board (or the Scheme Administrator), it may not be practicable for a Grantee to receive H Shares due to any legal and/or regulatory restrictions, arrange for such H Shares underlying the Awards to be sold on-market at prevailing market prices and remit the Actual Selling Price to the Grantee; or

(c) a combination thereof.

9.2 An Option may be exercised in whole or in part by the Grantee (or his or her personal representatives) giving notice to the Company stating that the Option is thereby exercised and the number of H Shares in respect of which it is exercised. Each such notice must be accompanied by a payment for the full amount of the Exercise Price multiplied by the number of Options in respect of which the notice is given to the Company. After the Company's receipt of such notice and the related payment, the Company may satisfy the exercise of the Options in accordance with Rule 9.1.

9.3 In respect of RSUs, after the relevant vesting conditions have been satisfied and payment in full of any consideration payable for the H Shares underlying the RSUs has been received by the Company, or arrangement for deduction of such consideration has been made to the satisfaction of the Board (or the Scheme Administrator), the Company may satisfy the vesting of the RSUs in accordance with Rule 9.1.

9.4 For the avoidance of doubt, treasury H Shares shall not be transferred out of treasury to the Trustee for the purpose of forming an unallocated pool of H Shares before the relevant Awards have vested or been exercised.

9.5 The H Shares to be allotted and issued and/or treasury H Shares to be transferred out of treasury upon the exercise or vesting of an Award shall be identical to all existing issued H Shares and shall be allotted and issued or transferred out of treasury, as applicable, subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue as from the date on which such H Shares are allotted and issued or transferred out of treasury, as applicable, 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 allotment and issue or transfer out of treasury, as applicable.

9.6 Any stamp duty, levies, fees or other costs and expenses arising on the sale of the H Shares due to the exercise or vesting of Awards and payment of the Actual Selling Price shall be borne by the Grantee and deducted from any amounts payable to the Grantee.

9.7 All taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the Awards, H Shares, Actual Selling Price, related income or cash amount of equivalent value of the H Shares (the "Taxes") received by a Grantee shall be borne by the Grantee, and the Company shall not be liable for any Taxes, unless otherwise required by applicable law.

10. VESTING PERIOD

10.1 An Award must be held for at least twelve (12) months from the Grant Date before such Award can be exercised, vested or settled, except that at the sole and absolute discretion of the Board or the Scheme Administrator, a shorter vesting period may be granted to an Employee Participant in the following circumstances:

(a) grants of "make-whole" Awards to new Employee Participants to replace the Awards that such Employee Particpants forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or Disability or occurrence of any out of control event. In those circumstances, the vesting of Awards may accelerate;

(c) grants of Awards with performance-based vesting conditions provided in the Scheme Rules, in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons. They may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Award would have been granted;

(e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or

(f) grants of Awards with a total vesting and holding period of more than twelve (12) months.

10.2 The Board (or the Scheme Administrator) may, in respect of each Award and subject to Applicable Laws, determine any performance targets or other criteria as condition(s) to the vesting of Awards. If any of the vesting conditions (including any performance targets as referred to in this Rule) for the Awards are not satisfied on or prior to the relevant vesting date, the relevant Awards shall lapse automatically and shall not be vested in the Participant, unless the Board (or the Scheme Administrator) determines otherwise in its sole and absolute discretion.

11. LAPSE, CANCELLATION AND CLAWBACK OF AWARDS

11.1 Without prejudice to other circumstances where an Award shall lapse pursuant to the terms in an Offer Letter as determined by the Board (or the Scheme Administrator) at its discretion, an Award shall lapse automatically (to the extent not already vested in the Participant and, where relevant, exercised, vested or settled) on the earliest of:

(a) where the Grantee is a director or employee of the Group, or a Related Entity Participant and their employment or engagement with the relevent member of the Group or associated company of the Company ceases for any reason other than death or becoming permanently disabled as described in sub-paragraph (c) below, the Award may not be exercised, vested or settled after the date of such cessation, which date shall be the last day of the relevant employment, office or engagement, whether remuneration or fees are paid in lieu of notice or not;

(b) where the Grantee is a director or employee of the Group or a Related Entity Participant and the Board or the Scheme Administrator at its absolute discretion determines that such Grantee is unable to pay or has no reasonable prospect of being able to pay their debts, or has become insolvent, or has made any arrangements or composition with their creditors generally or has been convicted of any criminal offence involving integrity or honesty, the Award granted to such Grantee may not be exercised, vested or settled on or after the date on which the Board has so determined;

(c) where the Grantee of an outstanding Award dies or becomes permanently disabled before the exercise or vesting of the Award in full or at all, the Award may not be exercised, vested or settled after the date of their death or permanent Disability. However, if the Board or the Scheme Administrator, upon receiving the written notice from such Grantee or, in the case of death, such Grantee's personal representatives within 60 days after the date of such Grantee's death or permanent Disability, issues a written consent to such Grantee or, in the case of death, such personal representatives, such Grantee or such personal representatives may, as soon as practicable and within such period as specified in the written consent, exercise the Option and/or receive the vesting of the RSU (as applicable, to the extent vested or capable of vesting and not already exercised, vested or settled) in accordance with such consent and the terms of the Award;

(d) if the Board at its absolute discretion determines that the Grantee (other than an employee of the Group) or their associate has committed any breach of any contract entered into between the Grantee or their associate on the one part and the Group or any associated company of the Company on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with their creditors generally, the Award granted to such Grantee may not be exercised, vested or settled on or after the date on which the Board has so determined; and

(e) the date on which the Board or the Scheme Administrator determines pursuant to Rule 11.4 that the Award shall lapse in whole or in part following the occurrence of a clawback event;

provided that a determination of the Board (or the Scheme Administrator) to the effect that the Awards shall lapse and not be vested or exercisable or vestable on one or more of the grounds as specified above shall be conclusive and binding on the Participant and that in each case above the Board (or the Scheme Administrator) in its absolute discretion may decide that such Awards shall not so lapse or determine subject to such conditions or limitations as it may decide; and that any such decision shall be conclusive and binding on the Participant. The Company shall not owe any liability to any Participant for the lapse of any Awards under this Rule 11.1. Any Awards lapsed in accordance with the terms of the Scheme will not be regarded as utilized for the purpose of calculating the Scheme Limit set out in Rule 14.1.

11.2 The right to exercise an Option or vest or settle an RSU (in each case, to the extent not already exercised, vested or settled) shall terminate immediately upon the earliest of:

(a) in respect of an Option, the expiry of the Option Period;

(b) the date referred to in Rule 11.1(a);

(c) the date referred to in Rule 11.1(b);

(d) where no written notice is received within the 60-day period referred to in Rule 11.1(c), the expiry of such 60-day period, or, where written consent is given pursuant to Rule 11.1(c), the expiry of the period specified in such written consent;

(e) the date referred to in Rule 11.1(d);

(f) the date referred to in Rule 11.1(e);

(g) the expiry of the period referred to in Rule 15.2 as regards general offers;

(h) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in Rule 15.3;

(i) subject to Rule 15.1, the date of the commencement of the winding-up of the Company; or

(j) the non-fulfillment of any condition of the Scheme on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Award under this Rule 11.2.

11.3 CANCELLATION OF AWARDS

The Board or the Scheme Administrator may cancel any Award granted but not yet exercised, vested or settled, provided that:

(a) the Company pays to the Grantee an amount equal to the fair value of the Award cancelled, as determined by the Board or the Scheme Administrator;

(b) the Board or the Scheme Administrator grants to the Grantee a new Award of equivalent value in substitution for the Award cancelled, in compliance with the Scheme Limit and the Listing Rules; or

(c) the Board or the Scheme Administrator makes any other arrangement regarding the cancellation of the Award as may be agreed with the Grantee.

The Awards so cancelled will be regarded as utilized for the purpose of calculating the relevant Scheme Limit set out in Rule 14. Issuance of new Awards to the same Participant whose Awards have been cancelled may only be made with Awards available under the Scheme Limit and in compliance with the Listing Rules.

11.4 CLAWBACK MECHANISM

Notwithstanding any other provisions of the Scheme Rules, if the Board or the Scheme Administrator determines that any of the following events has occurred in relation to a Participant:

(a) the Participant has contravened any applicable laws or regulations involving integrity or honesty, committed fraud or dishonesty, been involved in the acceptance or solicitation of bribery, corruption, theft, leakage of any trade or technical secrets, undisclosed, unauthorised or unlawful related-party transactions involving a conflict of interest, other unlawful acts or serious misconduct which has prejudiced the reputation or interests of, or caused significant negative impact on the Group, or failed to discharge, or failed to discharge properly, his/her/its duties resulting in serious and adverse consequences to the Group;

(b) the Participant has been convicted of any criminal offence involving integrity or honesty;

(c) the Participant has committed a material breach of the terms of the Scheme, the relevant Offer Letter or any contract or arrangement with any member of the Group or any associated company of the Company;

(d) there has been a material misstatement in the Company's financial statements which requires restatement; or

(e) any other circumstances occur which, in the opinion of the Board or the Scheme Administrator, justify the clawback of the Award in order to protect the interests of the Group,

the Board or the Scheme Administrator may, to the extent permitted by Applicable Laws and the Listing Rules, determine that:

(i) any Award granted to such Participant but not yet exercised, vested or settled shall lapse in whole;

(ii) in respect of any H Shares already issued or transferred to such Participant pursuant to the exercise or vesting of any Award, such Participant shall transfer back to the Company or its nominee the same number of H Shares, or pay to the Company an amount equal to the market value of such H Shares as determined by the Board or the Scheme Administrator, or a combination of the foregoing; and/or

(iii) in respect of any cash amount, sale proceeds or other benefit received by such Participant in connection with any Award, such Participant shall repay to the Company such amount or benefit as the Board or the Scheme Administrator may determine.

Any Award which lapses pursuant to this Rule before exercise or vesting shall not be regarded as utilized for the purpose of calculating the Scheme Limit. Any Award which has been vested, exercised or settled before being clawed back shall be treated in accordance with the Listing Rules and shall not be added back to the Scheme Limit unless permitted under the Listing Rules.

12. TRANSFERABILITY

12.1 Any Award granted hereunder shall be personal to the Participant to whom it is made and shall not be assignable or transferable, except in circumstances where approval from the Board has been obtained and the transfer is in compliance with the Listing Rules (or a waiver has been granted by the Stock Exchange for such transfer) and provided that any such transferee agrees to be bound by this Scheme and the Scheme Rules as if the transferee were the Participant.

12.2 Any actual or purported breach of Rule 12.1 shall result in lapse of any outstanding Awards or part thereof granted to such Participant. For this purpose, a determination by the Board (or the Scheme Administrator) to the effect that the Participant has or has not breached Rule 12.1 shall be final and conclusive.

13. REORGANIZATION OF CAPITAL STRUCTURE

13.1 Where there is any alteration in the capital structure of the Company by way of a sub-division, consolidation or reduction of the share capital of the Company, a capitalization of profits or reserves or bonus issue or a rights issue or open offer (other than an alteration in the Company's capital structure as a result of an issue of Shares or other securities as consideration in a transaction to which the Company is a party), the Board (or the Scheme Administrator) shall make such corresponding adjustments (if any) as it may deem appropriate to reflect such changes with respect to:

(a) the number of H Shares subject to the Award so far as unexercised, unvested or unsettled; and/or

(b) in respect of Options, the Exercise Price for the H Shares subject to the Option so far as unexercised, and, in respect of RSUs, any consideration payable for the H Shares subject to the RSU so far as unvested or unsettled; and/or

(c) any combination thereof,

as the Auditors or an indepedent financial adviser engaged by the Company for such purpose have certified in writing to the Board as satisfying the relevant requirements of the Listing Rules and as being, in their opinion, fair and reasonable generally or as regards any particular Participant, provided that (i) any such adjustments should give each Participant the same proportion of the equity capital of the Company (rounded to the nearest whole Share) as that to which that Participant was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in an H Share being issued or transferred at less than its nominal value (if any). Any adjustment shall be determined and applied in accordance with Rule 17.03(13) of the Listing Rules, the Frequently Asked Questions FAQ13 issued by the Stock Exchange and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

13.2 The capacity of the Auditors or independent financial adviser (as the case may be) in this Rule 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 Participants.

The method of adjustment of the number of H Shares subject to an Award so far as unexercised, unvested or unsettled is set out as below:

Capitalization or bonus issue, or rights issue or open offer of Shares

$Q = Q0 \times F$

Where: "Q0" represents the number of H Shares subject to the relevant Award before the adjustment; "Q" represents the number of H Shares subject to the relevant Award after the adjustment, and "F" represents CUM ÷ TEEP

"CUM" = closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

"TEEP" (theoretical ex entitlement price) = [CUM + (M × R)] ÷ (1+M), where "M" represents entitlement per existing Share and "R" represents subscription price

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

$Q = Q0 \times n$

Where: "Q0" represents the number of H Shares subject to the relevant Award before the adjustment; "n" represents the ratio of share consolidation or share subdivision or reduction of share capital; "Q" represents the number of H Shares subject to the relevant Award after the adjustment.

13.3 The method of adjustment of the Exercise Price (and, where applicable, any consideration payable for the H Shares subject to an RSU) is set out as below:

Capitalisation issue or bonus issue, or rights issue or open offer of Shares

$P = P0 \div F$

Where: "P0" represents the Exercise Price or relevant consideration payable before the adjustment; "P" represents the Exercise Price or relevant consideration payable after the adjustment, and "F" represents CUM ÷ TEEP.

"CUM" = closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

"TEEP" (theoretical ex entitlement price) = [CUM + (M × R)] ÷ (1+M), where "M" represents entitlement per existing Share and "R" represents subscription price

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

$P = P0 \div n$

Where: "P0" represents the Exercise Price or relevant consideration payable before the adjustment; "n" represents the ratio of share consolidation or share subdivision or reduction of share capital; "P" represents the Exercise Price or relevant consideration payable after the adjustment.

14. SCHEME LIMITS

14.1 The maximum limit on the number of H Shares which may be issued in respect of all Awards to be granted under the Scheme and all options or awards to be granted under all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), shall not exceed 27,851,871 H Shares, representing 5% of the total number of Shares in issue (excluding treasury shares) as at the date on which the Shareholders approve the refreshment of the Scheme Limit (the "**Scheme Limit**").

For the avoidance of doubt, any H Shares which would have been issued pursuant to any exercise or vesting of Awards which have lapsed in accordance with the terms of the Scheme Rules will not be regarded as utilized for the purpose of calculating the Scheme Limit. The Scheme Limit may be subject to further refreshment in accordance with Rule 14.2.

14.2 The Company may refresh the Scheme Limit:

(a) after three years from the date of the previous approval of the Scheme Limit (including the approval of the refreshment of the Scheme Limit); or

(b) within any of the aforementioned three-year period by obtaining Shareholders' approval and subject to compliance with any additional requirements set out in the Listing Rules,

provided that the total number of new H Shares which may be issued in respect of all Awards to be granted under the Scheme and all options or awards to be granted under all other share scheme(s) of the Company under the Scheme Limit as refreshed must not exceed the limit permitted under the Listing Rules as at the date of such Shareholders' approval, and subject further to compliance with other requirements prescribed under the Listing Rules from time to time.

14.3 The total number of Shares issued and to be issued in respect of all Awards granted and to be granted under the Scheme and all options or awards granted and to be granted under all other share scheme(s) of the Company to each Participant (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) (the "**1% Individual Limit**"). Any further grant of Awards to a Participant which would exceed the 1% Individual Limit must be separately approved by the Shareholders in general meeting, with such Participant and his or her close associates (or associates if the Participant is a connected person) abstaining from voting, in accordance with the Listing Rules. In respect of any Options to be granted in such circumstances, the date of the meeting of the Board proposing any such further grant shall be taken as the Grant Date for the purpose of calculating the Exercise Price of such Options.

14.4 Any grant of 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 (excluding any independent non-executive director who is a proposed recipient of the grant of Awards). Where any grant of RSUs or other awards (excluding 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 all awards granted (excluding awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares), such further grant of RSUs or other awards must be approved by the Shareholders in general meeting in the manner set out in the Listing Rules, with the Grantee, his or her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting. Furthermore, where any grant of Awards to an independent non-executive director or substantial shareholder of the Company, or any of their respective associates, would result in all options and awards granted (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue (excluding any treasury shares) (the "**0.1% Limit**"), such further grant of Awards must be approved by the Shareholders in general meeting in the manner set out in the Listing Rules, with the Grantee, his or her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

15. RIGHTS ON GENERAL OFFER, WINDING-UP AND OTHER ARRANGEMENTS

15.1 In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each such Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options (to the extent vested but not yet exercised) and/or vest all or any of his RSUs (subject in all cases to the vesting period requirements set ou in Rule 15.4) at any time not later than four (4) Business Days or such other period as agreed between the Company and the Grantee prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied, in the case of Options, by a remittance for the full amount of the aggregate Exercise Price for the H Shares in respect of which the notice is given, with, in the case of RSUs, any consideration payable for the underlying H Shares to be paid or deducted in accordance with Rule 9.3, whereupon the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue or transfer out of treasury the relevant H Shares to such Grantee or to the order of such Grantee credited as fully paid. The Grantee shall accordingly be entitled, in respect of the H Shares issued or transferred in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation pari passu with the holders of the H Shares in issue on the day prior to the date of such proposed general meeting. Subject thereto, all Awards (where vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

15.2 If a general offer (whether by way of a takeover, share repurchase offer, scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer, having been approved in accordance with all Applicable Laws, becomes or is declared unconditional, any Grantee (or his personal representatives) may by notice in writing to the Company within twenty-one (21) days after such offer becoming or being declared unconditional exercise his Options (to the extent vested but not yet exercised) and/or vest his RSUs (subject in all cases to the vesting period requirements set ou in Rule 15.4) to their full extent or to the extent specified in such notice. Subject to the above, an Award will lapse automatically (to the extent not exercised or vested) on the expiry of the said period.

15.3 Other than a general offer or a scheme of arrangement contemplated in this Rule, if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon such Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options (to the extent vested but not yet exercised) and/or vest any of his RSUs (subject in all cases to the vesting perriod requirements set out in Rule 15.4) in full or in part, but the aforesaid exercise of an Option and/or vesting of an RSU shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Awards shall lapse except insofar as previously exercised or vested under the Scheme. The Company may require the aforesaid Grantee (or his personal representatives) to transfer or otherwise deal with the H Shares issued or transferred as a result of the exercise or vesting of Awards in these circumstances so as to place the aforesaid Grantee in the same position as nearly as would have been the case had such H Shares been subject to such compromise or arrangement.

15.4 Upon the occurrence of any event referred to in Rules 15.1 to 15.3 and subject to Rule 10.1, the Listing Rules and Applicable Laws, the Board or the Scheme Administrator may, in its sole and absolute discretion, determine whether and to what extent any Award which remains unvested at the relevant time shall vest or, in the case of an Option, become exercisable. For the avoidance of doubt, the discretion described above remains subject to the vesting provisions in Rule 10.1 and does not permit any acceleration of the vesting period except to the extent expressly permitted under Rule 10.1.

16. INTERPRETATION / DISPUTES

16.1 Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board or Scheme Administrator. The decision by the Board shall be final and binding on all parties.

16.2 Disputes arising in connection with the Scheme shall be referred to the decision of the Board in the first instance, which decision shall be final and binding. Should the Board decide, any dispute referred to it may be subsequently referred to the decision of the Auditors, who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on all parties. In such cases, the costs of the Auditors shall be shared equally between the Company and the relevant Participants.

17. ALTERATION OF THE SCHEME

17.1 Subject to the Scheme Limit and this Rule 17, the Board (or the Scheme Administrator) may amend any of the provisions of the Scheme or any Awards granted under the Scheme at any time and in any respect, provided that the terms of the Scheme or Awards so amended must comply with Rule 17.03 of the Listing Rules (as applicable). Approval of the Shareholders in general meeting is required for any amendment to the terms of the Scheme which are of a material nature or to any provisions of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such amendment operates to the advantage of Participants.

17.2 Any change to the terms of Awards the grant of which was subject to the approval of a particular authority (such as the Board or the Scheme Administrator, the remuneration committee of the Company, the independent non-executive directors or the Shareholders in general meeting) shall be subject to approval by that same authority, provided that this requirement does not apply where the relevant alteration takes effect automatically under the terms of the Scheme. Without limiting the foregoing, any change in the terms of the Awards granted to any Participant 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 general meeting in the manner required by the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the terms of the Scheme).

17.3 No amendment shall be made to any Awards to the extent that such amendment has a material adverse effect on the subsisting rights of a Participant at that date in respect of the Awards already granted to that Participant and to the extent that such Awards have not lapsed or forfeited, without the consent of such Participant, provided that no such consent shall be required if the Board (or the Scheme Administrator) determines in its sole and absolute discretion that such amendment or alteration either:

(a) is necessary or advisable in order for the Company, the Scheme or the Awards to satisfy any Applicable Laws (including the Listing Rules) or to meet the requirements of, or avoid any adverse consequences under, any accounting standards; or

(b) is not reasonably likely to diminish materially the benefits provided under such Awards, or that any such diminishment has been adequately compensated.

17.4 Any change to the authority of the Board or the Scheme Administrator to alter the terms of the Scheme must be approved by Shareholders in general meeting.

18. TERMINATION

18.1 The Scheme shall terminate on the earlier of:

(a) the end of the Scheme Period, except as otherwise may be required in accordance with the provisions of the Scheme; and

(b) such date of early termination as determined by Shareholders at a general meeting,

following which no further Awards will be offered or granted under the Scheme, provided that notwithstanding such termination, the Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the Awards granted and remaining unvested, unexercised, unsettled or unexpired prior to the termination of the Scheme, and that such termination shall not affect the subsisting rights already granted to a Participant.

19. GOVERNING LAW

19.1 The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.