

CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

Rules of the
SHARE AWARD SCHEME

Adopted on [18 June 2025]

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WARNING

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

1. **DEFINITIONS**

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

“Actual Selling Price”	the actual price at which the Awarded Shares are sold by the Trustee pursuant to paragraph 10.2 (net of brokerage, Stock Exchange trading fee, transaction levy of the Securities and Futures Commission, transaction levy of the Accounting and Financial Reporting Council of Hong Kong, and any other applicable costs, expenses and taxes) on vesting of an Award pursuant to this Scheme;
“Adoption Date”	[18 June 2025], the date on which this Scheme was conditionally adopted by the Shareholders;
“Articles of Association”	the memorandum and articles of association of the Company, as amended, modified or otherwise supplemented from time to time, and “Article” shall mean an Article of the Articles of Association;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee of the Board;
“Auditors”	the auditors of the Company for the time being;
“Award(s)”	award(s) of Share(s) pursuant to this Scheme;
“Awarded Share(s)”	in respect of a Grantee, such number of Share(s) awarded by the Board;
“Board”	the board of the Directors for the time being or a duly authorised committee thereof;

“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;	
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;	
“Company”	China Silver Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;	
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;	
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any of its Subsidiaries as permitted under this Scheme to the Trust as determined by the Board from time to time;	
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;	
“Core Connected Persons”	shall have the meaning ascribed to it under the Listing Rules;	
“Director(s)”	the director(s) of the Company;	
“Eligible Participant(s)”	eligible persons under this Scheme, which are the employees of the Company or any of its Subsidiaries (including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with these companies), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, and does not include any independent non-executive Directors;	17.03A(1)(a) 17.03(2)
“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Share(s) pursuant to the terms of this Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;	
“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of this Scheme, or (where the context so permits) a person entitled to any such Award in consequence of the death of the original Grantee, or	

	the Personal Representative of such person;
“Grant Date”	in respect of an Award, the Business Day on which the Board resolves to make an Offer, or the grant of an Award to an Eligible Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of this Scheme;
“Grant Letter”	the letter issued by the Company to the Eligible Participant with respect to the Awarded Shares granted under this Scheme;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Individual Limit”	has the meaning ascribed to it in paragraph 7.7;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Nomination Committee”	the nomination committee of the Board;
“Offer”	the offer of the grant of an Award made in accordance with this Scheme;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Award granted to such Grantee (to the extent not already exercised);
“PRC”	the People’s Republic of China;
“Purchase Price”	the purchase price of the Awarded Shares (where applicable) granted by the Board to a Grantee as notified by the Board to such Grantee;

“Remuneration Committee”	the remuneration committee of the Board;
“Scheme” or “Share Award Scheme”	this share award scheme in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 7.1;
“Scheme Period”	has the meaning ascribed to it in paragraph 4.1;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended from time to time; and
“Treasury Share(s)”	has the meaning ascribed to the term “treasury shares” under the Listing Rules as applied to the Shares, and for the purposes of this Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
“Trust”	the trust constituted by the Trust Deed;
“Trustee”	the trustee(s) to be appointed by the Company for the administration of this Scheme;
“Trust Deed”	a trust deed to be entered into among, inter alia, the Company and the Trustee (as restated, supplemented and amended from time to time) in relation to this

Scheme;

“Trust Fund”	the funds and properties directly or indirectly held under the Trust and managed by the Trustee for the benefit of the Eligible Participants (other than the Excluded Participants);
“Vesting Period”	has the meaning ascribed to it in paragraph 10.3;
“%”	per cent.

- 1.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Scheme.
- 1.3 References herein to “paragraphs” are to paragraphs of this Scheme.
- 1.4 Words importing the singular include the plural and vice versa, words importing a gender or the neuter include both genders and the neuter references to persons include bodies corporate or unincorporate.
- 1.5 References in this Scheme to any document are to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- 1.6 References (express or implied) in this Scheme to ordinances and to statutory and regulatory provisions and the Listing Rules shall be construed as references to those ordinances or statutory and regulatory provisions and the Listing Rules as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which there are re-enactments (whether with or without modification) and any orders, regulations, instruments, other subordinate legislation or practice notes under the relevant ordinance, statutory or regulatory provision or the Listing Rules.
- 1.7 In construing this Scheme:
 - (a) the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
 - (b) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. PURPOSE OF THE SHARE AWARD SCHEME

- 2.1 The purposes of this Scheme are to reward and incentivize Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of

17.03(1)

the Company and its Shareholders as a whole. By granting Awards to the Eligible Participants who are expected to make meaningful future contribution to the Group's performance and success, it serves as a recognition of their potential and strengthens their sense of belonging and loyalty to the Group. It also reinforces a corporate culture of meritocracy and performance excellence by delivering a clear signal to the employees that sustained contribution and alignment with the Group's values would be recognized. Furthermore, by granting rewards to the Eligible Participants in the form of equity interests in the Company, it helps the Group foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders, which fosters employee behaviour and decision-making that supports long-term value creation for the Group and its stakeholders.

3. ELIGIBLE PARTICIPANTS OF THE SHARE AWARD SCHEME

3.1 The Board may, in its absolute discretion, grant Awards to any Eligible Participants, which are the employees of the Company or any of its Subsidiaries (including persons who are granted Awards under this Scheme as an inducement to enter into employment contracts with these companies). The scope of the Eligible Participants does not include independent non-executive Directors.

3.2 When assessing the eligibility of Eligible Participants, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties and importance of their roles, as well as their overall work performance and value towards the Group's business operations and objectives; (ii) their professional qualifications and knowledge in the industry, particularly where such attributes align with the Group's direction and would contribute meaningfully to the Group's future development; (iii) their length of engagement or employment with the Group, with appropriate consideration given to long-serving individuals who have demonstrated loyalty and consistent performance, as well as newer employees whose potential contributions are expected to be critical to the Group's future development; (iv) their past contribution made or future contribution expected to be made to the existing business of the Group, and to the growth and development of the Group, in which the Board would consider the significance and strategic relevance of the individual's contribution or potential; and (v) whether granting of an Award is an appropriate incentive, and how an Award (taken together with any performance targets and/or vesting terms) can serve the purpose of this Scheme with respect to both the proposed Grantee and the long-term growth of the Group, specifically, the Board will consider whether the Award is likely to meaningfully motivate the proposed Grantee and reinforce alignment with the Group's core values and strategic objectives. The Board may also utilise the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a holistic view as to whether the relevant criteria(s) have been satisfied.

17.03(2)

4. DURATION

4.1 The Share Award Scheme shall be valid and effective for a period of ten (10) years

17.03(11)

commencing on the Adoption Date (the “**Scheme Period**”), unless terminated earlier as determined by the Board. Awards granted during the Scheme Period, but which remain outstanding and have not lapsed as at the expiry of the Scheme Period, shall continue to be valid in accordance with their terms of grant notwithstanding the expiry of the Scheme Period.

5. ADMINISTRATION OF THE SHARE AWARD SCHEME

5.1 The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of this Scheme and the Trust Deed. The decision of the Board and the Trustee regarding the administration and operation of this Scheme shall be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Awards under this Scheme, and the number of Shares and Purchase Price, subject to paragraph 3; (c) subject to paragraphs 14 and 16, make such adjustments to the terms of the Award granted under this Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of this Scheme provided that the same are not inconsistent with the provisions of this Scheme and the Listing Rules.

5.2 This Scheme shall take effect subject to:

- (a) the passing of the resolution by the Shareholders to approve and adopt this Scheme and to authorise the Board to grant Awards under this Scheme and to allot and issue Awarded Shares (including issue of new Shares or transfer of Treasury Shares, as the case may be);
- (b) the granting of approval for the listing of, and permission to deal in, the Shares that may be allotted and issued in respect of the Awards to be granted under this Scheme by the Stock Exchange; and
- (c) the appointment of the Trustee and the settling of this Scheme with the Trustee.

17.02(1)(a)

A certificate of a director of the Company that the conditions set out in sub-paragraphs (a) to (b) above have been satisfied shall be conclusive evidence of the matters certified. The Company must publish an announcement on the outcome of the Shareholders meeting as referred to in sub-paragraph 5.2(a) for the adoption of this Scheme as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day after such general meeting, in accordance with the publication requirements set out in Chapter 12 of the Listing Rules.

5.3 The Share Award Scheme is funded by the issuance of new Shares and transfer of Treasury Shares by the Company under the Scheme Mandate Limit.

- 5.4 The Company is allowed to use Treasury Shares for this Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association of the Company. If the Company has Treasury Shares available, the Company may use the Treasury Shares for this Scheme where appropriate.
- 5.5 The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any of its Subsidiaries as directed by the Board which shall constitute part of the Trust Fund, for the subscription of Awarded Shares and other purposes set out in this Scheme and the Trust Deed.
- 5.6 Subject to the requirements in this Scheme and all applicable laws, rules and regulations, the Board may from time to time instruct the Trustee in writing to subscribe for Awarded Shares from the Company at a purchase price representing the nominal value of the Shares. Once purchased or subscribed for, the Awarded Shares shall be held on trust by the Trustee for the Grantees until such Awarded Shares are vested with the relevant Grantees in accordance with the rules of this Scheme and the Trust Deed.
- 5.7 No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out or omission to act in connection with this Scheme unless arising out of such person's own negligence, fraud or bad faith.

6. OFFER AND ACCEPTANCE

- 6.1 Subject to the rules of this Scheme and all applicable laws, rules and regulations, the Board may, from time to time at its absolute discretion, select any Eligible Participant (other than any Excluded Participant) to be a Grantee and grant to such Grantee Awarded Shares at the Purchase Price (where applicable) at any time on any Business Day during the Scheme Period.
- 6.2 An Offer shall be made to the Grantee by a Grant Letter in such form as the Board may from time to time determine requiring the Grantee to undertake to hold the Award on the terms on which it is to be granted and to be bound by the provisions of this Scheme.
- 6.3 The Offer shall remain open for acceptance by the Grantee concerned for a period of twenty-eight (28) days from the Grant Date provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after this Scheme has been terminated in accordance with the terms hereof or after the Grantee for whom the Offer is made has ceased to be an Eligible Participant.

- 6.4 Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. An Offer is deemed to be accepted when the Company receives from the Grantee the Grant Letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of an Award. Such remittance is not refundable in any circumstances.
- 6.5 The Board may in its absolute discretion grant the Awarded Shares at nil consideration, or at a Purchase Price by taking into consideration matters such as the performance and contribution of the Grantee, which shall be paid upon vesting of the Awarded Shares, or at such other time as determined by the Board in its absolute discretion.
- 6.6 A Grantee shall ensure that the acceptance, vesting and the holding of any Awarded Shares under this Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Board may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.
- 6.7 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- 6.8 An Offer may not be made after any inside information has come to the Company's attention until (and including) the trading day after such inside information has been published in accordance with the relevant provisions of the Listing Rules. In particular, during the period commencing thirty (30) days immediately preceding the earlier of:
- 17.05
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly 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 quarterly or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement (or during any period of delay in publishing results announcements), no Award may be granted.
- 6.9 For the avoidance of doubt, in compliance with the Listing Rules, a director must not deal in any securities of the Company (and no Award may be granted to a director) on any day on which the Company's financial results are published and:
- (a) during the period of sixty (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

- (b) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and 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 as described in Section C of Appendix C3 to the Listing Rules.

- 6.10 Any grant of Award to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under this Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Award (if any)). 17.04(1)

6.11 Where:

- (a) any grant of Award (excluding grant of options under other share schemes of the Company) to a Director (other than an independent non-executive Director) or chief executive or any of their respective associates would result in the Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares); or 17.04(3)
- (b) any grant of Award to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all share options and awards granted under this Scheme and other share scheme(s) of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue on the date of such grant (excluding Treasury Shares),

such further grant of Award must be approved by the Shareholders in general meeting in the manner set out below. The Company must send a circular to the Shareholders containing all those terms as required under the Listing Rules. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting of the Shareholders. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at 17.04(4),(5)

the general meeting to approve the grant of such Award must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

- (i) details of the number and terms of the Award to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting.
- (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (iii) the information required under the Listing Rules and the Stock Exchange from time to time.

- 6.12 Any change in the terms of Award granted to a Grantee who is a Director, chief executive of the Company or substantial Shareholder, or any of their respective associates, must be approved by the Shareholders in the manner as set out above if the initial grant of the Award requires such approval (except where the changes take effect automatically under the existing terms of this Scheme). For the avoidance of doubt, the requirements for the grant of Award to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

17.04(5)
Note 1

7. MAXIMUM NUMBER OF SHARES

- 7.1 The total number of Shares which may be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all Awards to be granted under this Scheme and any options and awards to be granted under any other schemes of the Company shall not, in aggregate exceed 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date, i.e. 234,212,555 Shares (the "**Scheme Mandate Limit**"). Options or awards lapsed in accordance with the terms of this Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. For the avoidance of doubt, any new Shares and/or Treasury Shares subscribed by or allotted to the Trustee for the purpose of satisfying any Award under this Scheme, whether or not such Shares have been granted to an Eligible Participant, shall be considered as issued utilizing the Scheme Mandate Limit.

17.03B(1)
17.03(3)

- 7.2 The Company may seek approval by its Shareholders in general meeting to "refresh" the Scheme Mandate Limit after three (3) years from the date of Shareholders' approval for the last refreshment (or the adoption of this Scheme).

17.03C(1)

- 7.3 Any "refreshment" of the Scheme Mandate Limit within any three (3)-year period must be approved by Shareholders subject to the following provisions:

- (i) any controlling shareholders of the Company and their associates (or if there

is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

(ii) the Company must comply with the requirements under the Listing Rules.

- 7.4 The requirements set out in (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.
- 7.5 The Scheme Mandate Limit as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the “refreshment”. 17.03C(2)
- 7.6 The Company may seek separate approval by its Shareholders in general meeting for granting awards under this Scheme or option or award under any other schemes of the Company (as the case may be) beyond the Scheme Mandate Limit, provided the options or awards in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified participant who may be granted such options or awards, the number and terms of the options or awards to be granted to each participant, and the purpose of granting options or awards to the specified participants with an explanation as to how the terms of the options or awards serve such purpose. The number and terms of options or awards to be granted to such participant must be fixed before Shareholders’ approval. 17.03C(3)
- 7.7 The total number of Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all options and awards granted to an individual Grantee at any one time or in aggregate under this Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any twelve (12)-month period up to and including the date of such relevant grant should not exceed 1% of the Shares in issue (excluding Treasury Shares) for the time being (the “**Individual Limit**”). 17.03(4)
- 7.8 Where any further grant of Award to an Eligible Participant would exceed the Individual Limit, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the 17.03D(1)

Eligible Participant in question, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting the Award to such Eligible Participant, explanation as to how the terms of the Award serve such purpose, and such other information required under the Listing Rules. The number and terms of the Award to be granted must be fixed before the Shareholders' approval.

8. RIGHTS OF GRANTEE

- 8.1 A Grantee cannot vote or receive dividends and does not have any transfer or other rights of a shareholder in respect of the Awarded Shares, including those arising on a liquidation of the Company, until the Awarded Shares are vested with and transferred to the Grantee and he/ she has been registered in the register of members of the Company in respect of the Awarded Shares.

9. RIGHTS OF THE TRUSTEE

- 9.1 The Trustee holding unvested Awarded Shares, whether directly or indirectly, 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 a direction is given.

10. VESTING OF AWARDED SHARES

- 10.1 Subject to the satisfaction of all vesting conditions applicable to the vesting of Awarded Shares to each Grantee, the Awarded Shares held by the Trustee on behalf of such Grantee pursuant to the provision hereof shall vest in such Grantee in accordance with the applicable vesting schedule as set out in the Grant Letter, and the Trustee shall cause the Awarded Shares to be transferred to such Grantee in accordance with the rules of this Scheme.
- 10.2 To the extent that, at the determination of the Board, it is not practicable for the Grantee to receive the Award in Shares due to legal or regulatory restrictions with respect to the Grantee's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Grantee, the Board will direct and procure the Trustee to sell, by on- market transactions at the prevailing market price, the number of Awarded Shares so vested in respect of the Grantee and pay the Grantee, within a reasonable period of time, the net amount of the Actual Selling Price of such Awarded Shares in cash arising from such sale less the Purchase Price based on the number of Awarded Shares.
- 10.3 Save for the circumstances prescribed in paragraph 10.4 below, an Award must be held for at least twelve (12) months before being vested on the Eligible Participant (the "**Vesting Period**").
- 10.4 The Vesting Period in respect of Eligible Participant may be less than twelve (12) months from the Grant Date in the following circumstances:
- (a) grants of "make-whole" Award(s) to new joiners to replace the share award(s) or option(s) they forfeited when leaving the previous employers;

17.03(6)
17.03F

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- (b) grants to an Eligible Participant whose employment is terminated due to death or 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 include Award(s) that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Award(s) would have been granted;
- (d) grants of Award with a mixed or accelerated vesting schedule such as where the Award may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (f) grants of Award with a total vesting and holding period of more than twelve (12) months such as where the Award may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest twelve (12) months after the Grant Date; or
- (g) where there is an occurrence of any of the events regarding general offer, winding up, reconstruction, compromise or arrangement.

11. LAPSE OF AWARDS

11.1 Any Award made to the Grantee(s) shall automatically lapse forthwith on the occurrence of any of the following: 17.03(12)

- (a) the date of the commencement of the winding-up of the Company;
- (b) the date on which the Grantee commits a breach of the prohibition on assignment or transfer of Awards as referred to in paragraph 13.1 below;
- (c) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other grounds on which an employer would be entitled to terminate his or her employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 11.1(c) shall be conclusive and binding on the Grantee, and where appropriate, his or her legal representative(s); and
- (d) the date on which the Grantee ceases to be an Eligible Participant for any other reason.

- 11.2 In the event of lapse of any Awards, the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. The relevant Grantee shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

12. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

- 12.1 Subject to this Scheme and the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Award impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Award granted to any Grantee) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of this Scheme. 17.03(19)
- 12.2 If any performance targets are imposed in the relevant Grant Letter, the Board will have regard to the purpose of this Scheme in assessing such may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time. 17.03(7)
- 12.3 In the case of Eligible Participants other than directors of the Company, the achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head.
- 12.4 In the case of Eligible Participants who are directors of the Company, the achievement of his/her target will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed Grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to him/herself).
- 12.5 Due to the business nature of the Group, it would not be practicable, or possible, to

delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Awards are granted.

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| 12.6 | Other than the circumstances under which the Award(s) shall lapse automatically as set out in this Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the Grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc. | 17.03(19) |
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13. TRANSFERABILITY OF AWARDS

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| 13.1 | Subject to paragraph 13.2, an Award shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award. If a Grantee does any of the foregoing, whether voluntarily or involuntarily, the Award will immediately and automatically lapse. | 17.03(10)
17.03(17) |
| 13.2 | The Stock Exchange may consider granting a waiver to allow a transfer of an Award to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed. | 17.03(17)
Note |

14. REORGANISATION OF CAPITAL STRUCTURE

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| 14.1 | In the event of an alteration in the capital structure of the Company by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to: | 17.03(13) |
| | (i) the number of Shares subject to the Scheme Mandate Limit (as refreshed from time to time); and/or | |
| | (ii) the number of Awarded Shares pursuant to the outstanding Awards; and/or | |

(iii) the Purchase Price (where applicable);

or any combination thereof, provided

that:–

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding sub-paragraph (a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with Frequently Asked Questions FAQ13 – No.16 or such other guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be to the extent that a Share would be issued at less than its nominal value. Other than adjustments made on a capitalisation issue, the Company shall engage independent auditors or financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph satisfies the requirements set out in paragraphs (a) and (b) above and are in their opinion fair and reasonable. The capacity of the Auditors or financial advisor (as the case may be) in this paragraph 14.1 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 Grantee. The costs of the Auditors or financial advisor (as the case may be) shall be borne by the Company.

15. RANKING OF SHARES

- 15.1 The Awarded Shares to be vested with and transferred to the Grantees shall be identical to all existing issued Shares and shall be subject to all the provisions of the Articles of Association of the Company for the time being in force, and such Shares shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of allotment and issue of the Awarded Shares and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are vested with and transferred to the Grantees other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are vested.

17.03(10),
(15)

16. ALTERATION TO THE SHARE AWARD SCHEME AND THE AWARDS

- 16.1 Any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by ordinary resolution of Shareholders in a general meeting.
- 16.2 Any change to the authority of the Board, the Trustee or the administrator of this Scheme to alter the terms of Share Award Scheme must be approved by ordinary

17.03(18)

resolution of Shareholders in a general meeting.

- 16.3 Any change to the terms of Award granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company if the initial grant of the Award was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of this Scheme.
- 16.4 The amended terms of this Scheme must comply with the relevant requirements of all laws, rules and regulations including but not limited to Chapter 17 of the Listing Rules and any guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

17. TERMINATION OF THE SHARE AWARD SCHEME

- 17.1 The Company by ordinary resolution in general meeting or the Board may at any time terminate this Scheme and in such event no further Award may be granted but in all other respects the provisions of this Scheme shall remain in full force and effect to give effect to the settlement of any Award granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Awards that are granted during the life of this Scheme and remain outstanding immediately prior to the termination of this Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of this Scheme. Details of the Award(s) granted, including Award(s) outstanding, under this Scheme and (if applicable) Award(s) 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 award scheme to be established after such termination. The Company shall notify all Grantees and (if applicable) the Trustee of such termination and of how any property held by the Trustee on trust for the Grantees (including, but not limited to, any Shares held) and the outstanding Awards shall be dealt with.
- 17.03(16)
17.03(16)
Note

18. CANCELLATION

- 18.1 Any Awards granted may be cancelled if the Eligible Participant so agrees.
- 18.2 For the avoidance of doubt, where the Company cancels Award granted to an Eligible Participant and grants new Award (or option(s) or award(s) under any other share scheme of the Company) to the same Eligible Participant, such new grant may only be made with available Scheme Mandate Limit, and that the Award cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- 17.03(14)

19. DISPUTES

- 19.1 Any dispute arising in connection with this Scheme shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act

as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.

20. MISCELLANEOUS

- 20.1 The Company shall bear the costs of establishing and administering this Scheme including any costs of the Auditors and the independent financial advisers in relation to the preparation of any certificate by them or providing any other service in relation to this Scheme except as provided in paragraph 19 above.
- 20.2 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of Shares.
- 20.3 Any notice or other communication served by:
- (a) by the Company shall be deemed to have been served 24 hours after the same was sent by pre-paid post or delivered by hand or by courier or by fax or by e-mail to the address, fax number or e-mail address of the Grantee (as the case may be) as notified to the Company from time to time; and
 - (b) by a Grantee shall not be deemed to have been received until the same shall have been received by the Company at its principal place of business in Hong Kong for the time being.
- 20.4 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the receipt of the Awarded Shares. A Grantee shall pay all tax and discharge all other liabilities to which he or she may become subject to as a result of the participation in this Scheme or the receipt of the Awarded Shares. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay tax or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company.
- 20.5 The Board shall have the power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Awards to Eligible Participants and to determine the Purchase Price, to any of the Company's directors from time to time.
- 20.6 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any employee and the rights and obligations of any

employee under the terms of his or her office or employment shall not be affected by his or her participation in this Scheme or any right which he or she may have to participate in it and this Scheme shall afford such an employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- 20.7 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of Award pursuant to this Scheme, unless and until the relevant Awarded Shares are actually transferred to the Grantee upon vesting.
- 20.8 This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

- End of Scheme -