

KAISUN HOLDINGS LIMITED

凱順控股有限公司*

(incorporated in the Cayman Islands with limited liability)

SHARE AWARD SCHEME

(Adopted by an ordinary resolution of the shareholders of the Company on [•] 2023)

* *For identification purposes only*

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 meanings set out below:

- “**Acceptance Notice**” shall have the meaning given to it in Clause 7.5;
- “**Acceptance Period**” the period to be set out in the Award Letter during which the grant of Awards will be open for acceptance by the Selected Participants and this period cannot be longer than thirty (30) days from the date of the Award Letter;
- “**Adoption Date**” being the date on which the Shareholders approved the adoption of the Scheme in general meeting;
- “**Applicable Laws**” means any relevant laws and regulations (including those of both Hong Kong and overseas jurisdiction as may be applicable);
- “**Articles**” means the Articles of Association of the Company, as amended from time to time;
- “**associate(s)**” shall have the meaning given to it in the GEM Listing Rules;
- “**Auditors**” the auditors of the Company for the time being;
- “**Award**” an award granted by the Board or its delegate(s) to a Selected Participant, which may vest in the form of Awarded Shares or the purchase price, if any, of the Awarded Shares in cash, as the Board or its delegate(s) may determine in accordance with the terms of the Scheme Rules;
- “**Award Letter**” shall have the meaning as set out in Clause 7.2;
- “**Awarded Shares**” in respect of a Selected Participant, such number of Shares as awarded by the Board;
- “**Board**” the board of directors of the Company or a duly authorised committee thereof;
- “**Business Day**” any day on which the Stock Exchange is open for the business of dealing in securities;
- “**close associate(s)**” shall have the meaning given to it in the GEM Listing Rules;
- “**Committee**” means the person(s) from time to time delegated by the Board with the power and authority to administer the Scheme;

“Company”	Kaisun Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed and traded on GEM (Stock Code: 8203);
“connected person(s)”	shall have the meaning given to it in the GEM Listing Rules;
“Controlling Shareholder(s)”	shall have the meaning given to it in the GEM Listing Rules;
“core connected person”	shall have the meaning given to it in the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	the individuals or entities who or which may participate in the Scheme in accordance with the provisions in the Scheme Rules;
“Employee Participant(s)”	director(s) and employee(s) of the Employer, including persons who are granted Awards as an inducement to enter into employment contracts with the Employer but excluding an employee or director who has submitted his/her resignation to his/her Employer or whose contract of employment has been terminated (summarily dismissed or otherwise) by his/her Employer;
“Employer”	(i) in relation to an Employee Participant, the member of the Group including wholly and non-wholly owned Subsidiaries of the Company which employs or has appointed him/her; and (ii) in relation to a Related Entity Participant, the Related Entity;
“Excluded Participant(s)”	any Eligible Participant who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with Applicable Laws and regulations in such place makes it necessary or expedient to exclude such individual;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;

“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter;
“Group”	the Company and its Subsidiaries from time to time, and the expression “ <i>member(s) of the Group</i> ” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company;
“Related Entity Participant”	any director or employee of any Related Entity;
“Remuneration Committee”	the remuneration committee of the Company established by the Board from time to time;
“Scheme”	the share award scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date;
“Scheme Limit”	shall have the meaning as set out in Clause 12.1;
“Scheme Period”	shall have the meaning as set out in Clause 5.1;
“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Selected Participant”	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of Award by the Board making a grant pursuant to Clause 7.1;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholders”	the shareholders of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any subsidiary (as the term is defined in the GEM Listing Rules) of the Company;
“substantial shareholder(s)”	has the meaning given to it in the GEM Listing Rules;

“ Takeovers Code ”	the Codes on Takeovers and Mergers and Share Buy-backs;
“ Vesting Date ”	the date or dates, as determined from time to time by the Board, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Award Letter;
“ Vesting Notice ”	shall have the meaning as set out in Clause 7.6.4; and
“ Vesting Period ”	means in relation to any Selected Participant, the period commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to such Selected Participant and ending on Vesting Date.

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

- 1.2.1. references to Rules are to rules of the Scheme Rules;
- 1.2.2. references to times of the day are to Hong Kong time;
- 1.2.3. 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;
- 1.2.4. a reference to “dollars” or to “\$” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
- 1.2.5. a reference, express or implied, to statutes, statutory provisions or the GEM 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;
- 1.2.6. 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 or other person(s), the committee or such other person(s) shall enjoy the same absolute discretion;
- 1.2.7. a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
- 1.2.8. words importing the singular include the plural and vice versa, and words importing a gender include every gender;

- 1.2.9. headings are included in these Scheme Rules for convenience only and do not affect its interpretation; and
- 1.2.10. references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. PURPOSE OF THE SCHEME

- 2.1. The purpose of the Scheme, through the granting of the Awards, is to:
 - 2.1.1. recognise the contribution or future contribution of Eligible Participants for their contribution to the Group, and provide the Eligible Participants with an opportunity to obtain a proprietary interest in the Company;
 - 2.1.2. provide incentives to the Eligible Participants to continue contributing to the Company; and
 - 2.1.3. enable the Company to attract, recruit, and motivate high-calibre employees and attract human resources that are valuable to the Company.

3. CONDITIONS

- 3.1. The Scheme shall take effect subject to and conditional upon:
 - 3.1.1. approval of the Shareholders is obtained through the passing of resolutions by the Shareholders to adopt the Scheme and authorise the Board to grant Awards under the Scheme and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Scheme; and
 - 3.1.2. the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Limit to be allotted and issued by the Company pursuant to the grant of any Awards in accordance with the terms and conditions of the Scheme.

4. CONDITIONS APPLICABLE TO THE GRANTING AND VESTING OF AWARDS

To the extent any Applicable Laws, rules or regulations impose on the compliance with or satisfaction of any practice, requirement, condition or obligation in respect of the granting and vesting of any Award, the granting or vesting of such Award will be subject to the full compliance with or satisfaction of all such practices, requirements, conditions or obligations irrespective of whether they are set out in the Award Letter or the Scheme.

5. DURATION AND TERMINATION

- 5.1. Subject to Clause 5.3, the Scheme will take effect when all the conditions set out in Clause 3 have been satisfied and will terminate or expire (as the case may be) on the earlier of:
- 5.1.1. its termination pursuant to Clause 5.2 below; and
 - 5.1.2. ten (10) years commencing on the Adoption Date, the “**Scheme Period**”.
- 5.2. The Scheme may be terminated at any time:
- 5.2.1. by the approval of the Shareholders; or
 - 5.2.2. by the Board when it resolves that no further Awards will be made under the Scheme,
- provided that such termination shall not affect any subsisting rights of any Selected Participant(s).
- 5.3. The Scheme will be valid and effective for the Scheme Period. After the Scheme Period, no further grant of Awards shall be made but the Scheme will remain in full force and effect to the extent necessary to give effect to the acceptance of any granted Awards, vesting of any Awarded Shares or otherwise as may be required in accordance with the Scheme.

6. ADMINISTRATION

- 6.1. The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the GEM Listing Rules. In addition, the Board may appoint a committee as the administrator in relation to the Scheme (or certain aspects of it) on such terms as the Board may determine. The decision of the Board on the interpretation of the Scheme or whether a circumstance exists which may affect the treatment of any Award or Selected Participant under the Scheme will be final and binding (in the absence of manifest error) on all parties.

- 6.2. Subject to the terms and conditions of the Scheme Rules, and in the absolute discretion of the Board, an Employee Participant and a Related Entity Participant (excluding any Excluded Participant), who has contributed to the Group on the basis of their contribution to the development and growth of the Group may participate in the Scheme. In assessing the eligibility of the Eligible Participants, generally:
- 6.2.1. In respect of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others: (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (c) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (d) his/her educational and professional qualifications, and knowledge in the industry; and (e) whether granting Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.
 - 6.2.2. In respect of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others: (a) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the project in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships; (e) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (f) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- 6.3. Subject to all Applicable Laws, rules and regulations, the Board has the power at its discretion and based on such factors and circumstances as it considers relevant appropriate to:
- 6.3.1. grant Award(s) to Selected Participant(s) whom it selects;
 - 6.3.2. determine when and whether any Award will be granted; and
 - 6.3.3. determine the number of Awarded Shares to be subject to each Award;

- 6.3.4. determine the terms and conditions of Award including:
 - 6.3.4.1. the Acceptance Period;
 - 6.3.4.2. the Vesting Period;
 - 6.3.4.3. the performance targets and other eligibility criteria, if any, to be satisfied before the Awarded Shares will be vested; and
 - 6.3.4.4. the period, if any, during which Awarded Shares will be subject to restrictions on dealings, and the terms of such restrictions;
- 6.3.5. construe and interpret the terms and conditions of the Scheme and any Award or Awarded Shares;
- 6.3.6. subject to other provisions of the Scheme, the GEM Listing Rules and (if necessary) the approval by Shareholders, vary the terms and conditions of any Award, including allowing all or some Awards which should have lapsed pursuant to its terms and conditions to continue to subsist until the end of the period determined by the Board and on such terms and conditions as the Board may determine; and
- 6.3.7. make, vary or rescind such arrangements, guidelines, procedures, rules and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with these Scheme Rules;
- 6.3.8. decide how the vesting of the Awarded Shares will be settled pursuant to Clause 7;
- 6.3.9. determine the commencement or termination date of an Eligible Participant's employment with any member of the Group;
- 6.3.10. establish and administer performance targets (if any) that must be duly fulfilled by a Selected Participant before any of the Awards may be vested to such Selected Participants under such Awards. Such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Selected Participants. For the avoidance of doubt, an Awarded Share shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter;
- 6.3.11. approve the Award Letter;

6.3.12. determine clawback provisions, namely to forfeit all the outstanding Awards granted (where applicable) to the relevant Selected Participant but not yet vested and exercised of the relevant Selected Participant in the occurrence of events as set out in Clause 9.2.7; and

6.3.13. make such other decisions or determinations as it shall deem appropriate in relation to the granting of an Award and/or the administration of the Scheme.

6.4. None of the Directors or any person(s) to whom the Board has delegated its authority 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 indemnify and hold harmless each member of the Board and any person(s) 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 wilful default, fraud or bad faith.

7. OPERATION OF THE SCHEME

7.1. Subject to the requirements in the 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 Selected Participant and grant to such Selected Participant the Awarded Shares at nil consideration and in such circumstances that the Company will not be required under Applicable Laws and regulations (including, but not limited to, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or its directors of any Applicable Laws and regulations or in any filing or other requirements arising.

7.2. The Board will issue a letter of grant to Selected Participants to grant Awards (the "**Award Letter**"). The Award Letter will specify:

7.2.1. the name of the Selected Participant;

7.2.2. the date of the Award Letter (which shall be deemed to be the date on which the grant of an Award (subject to acceptance by the Selected Participant) is made);

7.2.3. the Acceptance Period;

7.2.4. the vesting conditions of the Awarded Shares (if any);

7.2.5. the performance targets and other eligibility criteria, if any, to be satisfied before the Awarded Shares vest;

- 7.2.6. the number of Awarded Shares;
- 7.2.7. the purchase price of Awarded Shares, if any; and
- 7.2.8. such other terms and conditions to which the Award will be subject.

The Award Letter will contain provisions requiring the Selected Participant to (i) undertake to hold the Award on the terms and conditions on which it is granted; and (ii) agree to be bound by the Scheme Rules.

The Board is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares to the Selected Participant, and shall inform such Selected Participant the relevant vesting conditions of the Award and the Awarded Shares. Notwithstanding any other provisions of the Scheme, subject to Applicable Laws and regulations, the Board shall be at liberty to waive any vesting conditions referred to in this Clause 7.2.

7.3. The Board will not grant any Award to any Selected Participant, or cause the Company to allot and issue new Awarded Shares to Selected Participants:

7.3.1. after any inside information (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to the knowledge of the Company until such inside information has been published in accordance with the GEM Listing Rules;

7.3.2. on any day on which the Company's financial results are published and

7.3.2.1. during the period of sixty (60) days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

7.3.2.2. during the period of sixty (60) days immediately preceding the publication date of the Company's 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 there are circumstances of the Company that fall within the exceptions under the GEM Listing Rules;

7.3.3. who is a Director, during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to Rule 5.46 to 5.48 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company; and

7.3.4. in any circumstances which are prohibited under the GEM Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

Any grant of Awards will be made on a Business Day.

7.4. *Grant of Awards to a Director, chief executive, or substantial shareholder of the Company:*

7.4.1. Any grant of Awards to a Director, chief executive or substantial shareholder (or any of their respective associates) must be approved by the independent non-executive Directors of the Company (excluding any Director who is the proposed Selected Participant of such grant).

7.4.2. Where any grant of Awards to:

7.4.2.1. a Director (other than an independent non-executive director) or chief executive, or any of their respective associate(s), would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the Scheme Rules) to him/her in the twelve (12)-month period immediately preceding the Grant Date to exceed 0.1% of the number of Shares in issue as at the Grant Date; or

7.4.2.2. an independent non-executive Director of the Company or a substantial shareholder, or any of their respective associate(s), would result in the Shares issued and to be issued in respect of all Awards and other scheme options and Awards granted (excluding any Awards lapsed in accordance with the Scheme Rules) to him/her in the twelve (12)-month period immediately preceding the Grant Date to exceed 0.1% of the number of Shares in issue as at the Grant Date,

In the circumstances described in Clauses 7.4.2.1 and 7.4.2.2 above, a circular containing the details of the grant shall be despatched to the Shareholders in a manner complying with, and containing the information as required under GEM Listing Rules (including in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Selected Participant of the Award) to the independent Shareholders as to voting)). Additionally, approval of the Shareholders must be obtained in general meeting with such Selected Participant, his/her associate(s) and all core connected person(s) may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the GEM Listing Rules). The Company shall comply with the requirements under Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

7.5. After the Board has determined the number of Awarded Shares to be granted and the Selected Participants, the Board shall notify the Selected Participants on the Grant Date. Upon receipt of the Award Letter, the Selected Participants are required to confirm their acceptance of the grant and their securities account details for the purposes of effecting the transfer of the Awarded Shares to such Selected Participants by returning to the Company a notice of acceptance (the “**Acceptance Notice**”) duly executed by them within the Acceptance Period. If any Selected Participant fails to return the Acceptance Notice before the expiry of the Acceptance Period, the Award will automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

7.6. *Vesting of Awarded Shares:*

7.6.1. Subject to Clause 9 and other provisions of the Scheme Rules, all Applicable Laws, rules and regulations and with its terms and conditions, the respective Awarded Shares shall vest on the Selected Participant in accordance with the applicable vesting schedule as set out in the Award Letter when all the vesting conditions set out therein have been satisfied, waived or, by the terms of the grant, treated as having been waived in accordance with the Scheme Rules, and the Board shall cause the Company to allot and issue to such Selected Participant such number of new Awarded Shares as set out in the Award Letter and the Board shall cause to be paid the subscription money for the new Awarded Shares, representing the nominal value of the new Awarded Shares multiplied by the number of new Awarded Shares to be issued, from the Company’s resources.

7.6.2. The Board or the Remuneration Committee or the Committee (if authorised by the Board) is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares to the Selected Participant and shall set out such conditions in the Award Letter to the Selected Participant. Notwithstanding any other provisions of the Scheme Rules, subject to Applicable Laws and regulations, the Board or the Remuneration Committee or the Committee (if authorised by the Board) shall be at liberty to waive any vesting conditions. The Board or the Remuneration Committee or the Committee (if authorised by the Board) may in its absolute discretion set performance targets to be achieved before the vesting of the Awarded Shares to the Selected Participant, including but not limited to, and where appropriate, (i) sales performance (e.g. revenue), (ii) operational performance (e.g. operation efficiency in terms of cost control), (iii) financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity) of the Group, the individual’s overall performance indicators (e.g. strategic driving abilities, talent development capabilities, inter-departmental cooperation capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal procedures). The finance and human resources department will propose the

performance targets (if any) of each Selected Participant to the Board or the Remuneration Committee or the Committee (as the case may be) for consideration, who will then assess the reasonableness and suitability and confirm such performance targets. In relation to the Awards granted to the Directors and senior management of the Company, the performance targets, or the absence of such, shall be further subject to the approval of the Remuneration Committee or the Committee and any other requirements under the GEM Listing Rules. The Group will utilise its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Awards on a case-by-case basis. The Company will evaluate the actual performance and contribution of a Selected Participant for the past financial year against the performance targets set and form a view as to whether the relevant performance targets have been fulfilled. The assessment will be based on the individual's overall performance, performance of the team or department that the Selected Participant belongs to and the performance of the Group as a whole. Specific weightings will be given to the various factors identified above, with reference to the position and role of the Selected Participant in the Group, in order to provide a fair and objective appraisal. The Board or the Remuneration Committee or the Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.

7.6.3. The minimum vesting period in respect of any Awarded Shares granted to any Selected Participant is twelve (12) months, provided that where the Selected Participant:

7.6.3.1. is a Director or a senior manager specifically identified by the Company, the Remuneration Committee shall, or

7.6.3.2. is not a Director nor a senior manager specifically identified by the Company, the Board shall,

have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter vesting period is appropriate to align with the purpose of the Scheme, in any of the following specific circumstances:

- (a) grants of “make-whole” Awards to Selected Participants who newly joined the Group to replace the share awards or options they forfeited when leaving the previous employer;
- (b) grants of Awards with specific and objective performance-based vesting conditions as set out in Clause 7.6.2;

- (c) grants that are made in batches during a year for administrative or compliance reasons, which may include Awards that should have been granted earlier but had to wait for a subsequent batch, in such cases, the Vesting Date may be adjusted to take account of the time from which the Awards would have been granted if not for such administrative or compliance requirements;
- (d) grants of Awards with a mixed or accelerated vesting schedule such that the Awards may vest evenly over a period of twelve (12) months; and
- (e) grants of Awards with a total vesting and holding period of more than twelve (12) months.

7.6.4. The Board shall send to each Selected Participant a vesting notice not less than seven (7) days prior to each Vesting Date or the date a general offer (as further described in Clause 9.2.4) involving the Shares of the Company is announced (the “Vesting Notice”).

8. TRANSFER OF AWARDS

Prior to the Vesting Date, the Selected Participant cannot sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party or otherwise dispose of any of his/her Awards or purport to do any of the foregoing. If a Selected Participant does any of the foregoing, whether voluntarily or involuntarily, the Award will immediately and automatically lapse.

9. LAPSE OF AWARDS

9.1. In addition to Clauses 5.3, 7.5 and 8, and subject to Clause 9.2, unless the Board exercises its discretion pursuant to Clause 6.3, an Award will automatically lapse and will not vest on the earlier of:

- 9.1.1. the failure to satisfy the vesting conditions, or such conditions are not waived by the Board;
- 9.1.2. the Selected Participant is found to be an Excluded Participant; or
- 9.1.3. the Selected Participant failing to obtain all necessary consents or file all necessary registrations referred to in Clause 17.6 within thirty (30) days from the date of the Vesting Notice.

9.2. Lapse of Awards in other circumstances

9.2.1. *Death, ill health, redundancy, retirement or transfer:* If a Selected Participant who on the Grant Date was an Eligible Participant, that individual ceases to be an Eligible Participant because of:

9.2.1.1. death;

9.2.1.2. ill health, serious injury or disability which in the opinion of the board of the relevant Employer renders the individual unfit to perform his/her duties because of his/her employment or his/her office for a continuous period of twelve (12) months and provided such illness or injury or disability is not self-inflicted;

9.2.1.3. redundancy, retirement or expiration of the term of the employment accordance to his/her contract of employment with his/her Employer or contractual arrangement with the Group;

9.2.1.4. early retirement or termination by mutual agreement with his/her Employer or contractual engagement with the Group or as prescribed by State; or

9.2.1.5. (in the case of an Employee Participant) his/her employment or office being in a company which ceases to be a member of the Group or under the control of the Group or relating to a business, or a part of the business which is transferred to a person who is not a member of the Group or is not under the control of the member of the Group or if the Company or the relevant Employer or member of the Group is reorganised or merged or consolidated with another entity (and Clauses 9.2.4, 9.2.5 and 9.2.6 do not apply) such that each Employer or the new entity ceases to be a member of the Group or under the control of a member of the Group,

and situations in Clause 9.2.3 do not apply, the relevant Award made to such Selected Participant will lapse, and in the case of Clauses 9.2.1.1, 9.2.1.3, 9.2.1.4 and 9.2.1.5 on the day of the occurrence of the relevant event, and in the case of Clause 9.2.1.2 on the day when the board of the relevant Employer arrived at its decision for Employee Participants and Related Entity Participants, and the relevant Awarded Shares shall not vest on the relevant Vesting Date. Such Selected Participant shall have no right or claim against the Company, any other member of the Group or the Board or with respect to those or any other Shares or any right thereto or interest therein in any way.

9.2.2. *Resignation or termination of employment, office, services, or engagement:* When a person who is a Selected Participant ceases to be an Eligible Participant because he/she has submitted his/her resignation from his/her employment or office with the Employer or contractual engagement with the Group (and Clause 9.2.1.1 does not apply), whether or not he/she is still in the employment of the

Employer during the relevant employment resignation notice period of the relevant Employer has terminated the employment or office or the contractual engagement with the Group (and Clause 9.2.3 does not apply), then:

- 9.2.2.1. the relevant Award made to such Selected Participant will automatically lapse forthwith; and
 - 9.2.2.2. the relevant Awarded Shares shall not vest on the relevant Vesting Date.
- 9.2.3. *Misconduct*: If the Board or the board of directors (or a committee thereof) of the relevant Subsidiary determines that a person who is a Selected Participant (this includes a person who has ceased to be an Eligible Participant but his/her Awards continue to subsist in accordance with Clause 6.3.6), that person:
- 9.2.3.1. is guilty of misconduct, whether or not in connection with his/her relationship with the Group, or wilful disobedience or non-compliance with the terms of his/her employment, service agency, consultancy, engagement contract or lawful orders or instructions given by any member of the Group; or
 - 9.2.3.2. has been convicted of any criminal offence involving his/her integrity or honesty, whether or not in connection with his/her relationship with the Group; or
 - 9.2.3.3. has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other Applicable Laws or regulations from time to time; or
 - 9.2.3.4. has caused a material misstatement in the Group's financial statements; or
 - 9.2.3.5. has committed any act or offence which would justify (as determined by the Board) the termination of his/her employment contract or office, his/her engagement or contract with the relevant member of the Group at common law or pursuant to any applicable law, rule or regulation (or, in the case of a person who was an Employee Participant but has subsequently ceased to be an Employee Participant, his/her behaviour while he/she was an Employee Participant would have justified the termination of his/her employment contract but which does not become known to the Group until after he/she has ceased to be an Employee Participant);
 - 9.2.3.6. has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally;
 - 9.2.3.7. has disclosed confidential information of the Group;

9.2.3.8. has done anything (as determined by the Board) adversely affecting his/her ability to perform his/her duties properly or bring the Group into disrepute; or

9.2.3.9. has entered into competition with the Group or breached any non-solicitation provisions or any other undertakings in his/her employment, service agency, consultancy or engagement contract with any member of the Group (irrespective of whether such provisions are upheld or declared void and unenforceable by a court with competent jurisdiction),

then whether or not he/she is summarily dismissed by the Employer or Group or is still employed by the Employer or still in a contractual engagement with the Group, the relevant Award made to such Selected Participant will automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

A resolution of the Board or the board of directors (or a committee thereof) of the relevant Subsidiary to the effect that the employment or contractual engagement of the person or has not been terminated on one or more of the grounds specified in this Clause 9.2.3 or that one or more of the grounds specified in this Clause has arisen in respect of the person will be conclusive and binding on the person and, where appropriate the person's personal representative(s).

9.2.4. *General offer:* If a general offer to acquire Shares (whether by way of a takeover offer, share repurchase offer, privatisation proposal by a scheme of arrangement between the Company and its members or otherwise in like manner) is made to the Shareholders pursuant to the Takeovers Code, resulting in a change in control (as defined in the Takeovers Code), and the offer becomes or is declared unconditional in all respects prior to the vesting of Awarded Shares to the Selected Participants, then:

9.2.4.1. notwithstanding the requirement to satisfy the vesting condition referred to in Clause 7.6.1 and the vesting schedule as set out in the Award Letter, such Awarded Shares shall immediately so vest; and

9.2.4.2. the Board shall cause the Company to allot and issue to such Selected Participant such new Awarded Shares in accordance with Clauses 7.6.1 and 7.6.4, provided that none of the events set out in Clauses 9.2.1, 9.2.2 or 9.2.3 has occurred prior to vesting under this Clause 9.2.4.

9.2.5. *Members' voluntary winding-up:* If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, all Awarded Shares not yet vested will immediately and automatically vest and 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 Selected Participants (together with a notice of the existence of the provisions of this Clause), and the Company shall allot and issue to such Selected Participant such number of new Awarded Shares in accordance with Clause 7.6.

9.2.6. *Compromise or arrangement with creditors:* If a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction of the Company or amalgamation of the Company with another company or companies (other than a relocation scheme as contemplated in Rule 10.18(3) of the GEM Listing Rules):

9.2.6.1. the Company will give notice to all Selected Participant, on the same date as it gives notice to its members or creditors to hold a meeting to consider, and if thought fit approve, such a compromise or arrangement;

9.2.6.2. thereupon all Awarded Shares not vested will vest; and

9.2.6.3. the Company shall allot and issue to such Selected Participant such number of new Awarded Shares in accordance with Clause 7.6,

provided that the arrangements and mechanisms in this Clause 9.2.6 shall be subject to the laws relevant to the compromise or arrangement and to the sanction of the relevant court (where applicable).

The Company may require any Selected Participant to transfer or otherwise deal with the Awarded Shares issued as a result of the vesting of the Award so as to place the Selected Participant in the same position as nearly as would have been the case had such Awarded Shares been subject to such compromise or arrangement.

9.2.7. *Clawback Mechanism:* If a Selected Participant, being an Employee Participant whose employment is terminated by the Employer by reason of the Employer terminating the contract of employment without notice or payment in lieu of notice, or the Selected Participant having been convicted of any criminal offence involving his/her integrity or honesty, or the Selected Participant having done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), any outstanding Awarded Shares not yet vested shall immediately be forfeited, unless the Board determines otherwise in their absolute discretion.

9.2.8. For the avoidance of doubt and for the purpose of this Clause, an Employee Participant will be regarded as remaining as an Employee Participant notwithstanding that he/she ceases to be an employee of a member of the Group if he/she immediately becomes or stays as an Employee Participant of another member of the Group.

10. CANCELLATION OF AWARDS

10.1. The Board may cancel any Award(s) granted on such terms and conditions with the consent of the relevant Selected Participant, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

10.2. If the Board cancels outstanding Awards and grants new Awards (or other scheme options and awards) to the same Selected Participant, the grant of such replacement Awards or other scheme options and awards cannot cause the limits set out in Clause 12.1 to be breached. For the avoidance of doubt, the cancelled Awards will be regarded as utilised for the purpose of calculating the limit set out in Clause 12.1.

11. RIGHTS OF SELECTED PARTICIPANTS

11.1. The Awarded Shares will be subject to all the provisions of the Articles and will rank equally in all respects with the fully paid Shares in issue on the date when the name of the Selected Participant is registered on the register of members of the Company.

11.2. A Selected Participant cannot vote or receive dividends and does not have any right of a shareholder in respect of the Awarded Shares until the Awarded Shares are allotted and issued to the Selected Participant and he/she has been registered in the register of members of the Company in respect of the Awarded Shares.

12. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

12.1. Subject to Clauses 12.2 and 12.3, the total number of Shares which may be allotted and issued in respect of all Awards to be granted under the Scheme and other scheme options and awards must not exceed ten per cent (10%) of the Shares in issue as at the Adoption Date (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)) (the “**Scheme Limit**”). Unless approved pursuant to Clauses 12.2 or 12.3, no Awards, or other scheme options and awards may be granted if such grant will result in the Scheme Limit being exceeded. Awards and other scheme options and awards lapsed according to the terms of the Scheme Rules or other scheme(s) will not be regarded as utilised for the purpose of calculating the Scheme Limit.

- 12.2. Subject to the approval of the Shareholders, the Company may after three (3) years from the Adoption Date (or from the date of the approval of the Shareholders for the last refreshment) “refresh” the Scheme Limit provided that the total number of Shares which may be allotted and issued in respect of all Awards to be granted under the Scheme and other scheme options and awards to be granted under the Scheme Limit as “refreshed” must not, respectively, exceed ten per cent (10%) of the Shares in issue at the date of the resolution to approve the “refreshed” Scheme Limit (the “**Refresher Date**”). Awards and other scheme options and awards previously granted (whether outstanding, cancelled, lapsed (according to the Scheme or other schemes) or exercised) will not be regarded as utilised for the purpose of calculating the Scheme Limit as “refreshed”. For any additional refreshment within three (3) years of the Adoption Date (or within three (3) years from the date of the approval of the Shareholders for the last refreshment), approval of the Shareholders must be obtained in general meeting with controlling shareholders and their associate(s) (or if there is no controlling shareholder, the Directors (excluding independent non-executive directors) and the chief executive and their respective associate(s)) abstaining from voting.

The requirements 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 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

The Company will comply with all Applicable Laws, rules and regulations in seeking a refreshment of a Scheme Limit. Unless approved pursuant to Clause 12.3, the Board cannot grant any Award on or after the Refresher Date if such grant will result in the Scheme Limit as refreshed being exceeded.

- 12.3. Subject to a specific approval of the Shareholders, the Board may grant Awards to Selected Participants specifically identified by the Board beyond the Scheme Limit, provided the Awards in excess of the Scheme Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought. If the approval of the Shareholders is obtained, the Board may grant Awards to any Selected Participant in respect of such number of Awarded Shares and on such terms as specified in the approval of the Shareholders.

- 12.4. Except the approval of the shareholders is obtained pursuant to Clause 12.3 in general meeting with such Eligible Participant and his/her close associate(s) (or associate(s) if the Eligible Participant is a connected person) abstaining from voting and subject to the GEM Listing Rules including but not limited to rules relating to the grant of options/awards to connected persons, the Board cannot grant any Award (“**Triggering Award**”) to any Selected Participant which, if vested, would result in that Selected Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her upon exercise of all Awards and other scheme options and awards granted to him/her in the twelve (12)-month period immediately preceding the Grant Date of the Triggering Award to exceed one per cent (1%) of the number of Shares in issue as at that Grant Date.

In calculating the total number of Shares already issued or to be issued to that Selected Participant upon vesting/exercise of all Awards and other scheme options and awards granted as referred to in the preceding paragraph, all exercised, outstanding and cancelled Awards and other scheme options and awards, whether vested or unvested, under the Scheme and other schemes will be aggregated. However, Award and other scheme options and awards which have lapsed need not be regarded as utilised.

13. REORGANISATION OF CAPITAL STRUCTURE

- 13.1. Subject to Clause 12, in the event of a capitalisation issue or rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company will make corresponding adjustments (as necessary and in accordance with Chapter 23 of the GEM Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:
- 13.1.1. the number of Shares subject to the Scheme Limit (as refreshed from time to time); and/or
 - 13.1.2. the number of Awarded Shares pursuant to the outstanding Awards.
- 13.2. No adjustments required in Clause 13.1 may be made to the advantage of any Selected Participant unless with the prior approval of the Shareholders.
- 13.3. An adjustment will be made, to the extent practicable, in accordance with the following principles:
- 13.3.1. on the basis that each Selected Participant will have the same proportion of the Awarded Shares to which he/she would have been entitled immediately prior to the event leading to the requirement to perform the adjustment; and
 - 13.3.2. Shares will not be issued at less than its nominal value.

- 13.4. In respect of any adjustment required in Clause 13.1, other than adjustments made on a capitalisation issue, the Company will seek a written certification from an independent financial adviser or the Auditors that the adjustments satisfy the conditions set out in Clause 13.3 (“**Adjustment Certificate**”). In giving the Adjustment Certificate, the independent financial or the Auditors will act as experts and not as arbitrators and their confirmation will (in the absence of manifest error) be final and binding on the Company and the Selected Participants. The costs of the Adjustment Certificate will be borne by the Company.
- 13.5. An adjustment will be deemed to have taken effect on the earlier of (i) the date of completion of the relevant corporate event leading to the requirement to perform the adjustment; and (ii) if necessary, the issue of the Adjustment Certificate.
- 13.6. The Company will within thirty (30) days of the announcement of the relevant corporate event leading to the requirements to perform the adjustment inform each Selected Participant of the adjustment.

14. DISPUTES

Any dispute arising in connection with the Scheme (whether as to the number of Awarded Shares constituting the subject of an Award, the purchase price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser who shall act as experts and not as arbitrators and whose decision shall be final and binding.

15. AMENDMENTS TO THE SCHEME RULES

15.1. Subject to Clause 15.2, the Board may change any of the provisions of the Scheme Rules except that:

15.1.1. any alterations to the terms and conditions of the Scheme Rules which are of a material nature, including but not limited to the provisions of the Scheme as to the definitions of “Eligible Participant(s)” and “Selected Participant(s)” in Clause 1.1;

15.1.2. the provisions of the Scheme Rules relating to matters governed by Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Participants,

shall not be altered except with the prior approval of the Shareholders, provided that no such alteration shall operate to affect adversely the terms of any Award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Selected Participants as would be required of the holders of the Shares under the Articles for the time being of the Company for a variation of the rights attached to the Shares.

For the avoidance of doubt, the Board may amend the Scheme or any terms or conditions to Awards granted, as necessary for the Scheme and all documents related to the Scheme to be treated under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) as not being a prospectus or as an offer specified in Part 1 of Schedule 17 to such ordinance.

- 15.2. Prior approval of the Shareholders must be obtained before any change to the authority of the Board to alter the terms of the Scheme Rules.
- 15.3. Subject to this Clause, the Board may in its absolute discretion decide that any amendment to the provisions of the Scheme Rules will apply to all or some members of the Group as the Board will specify in writing.
- 15.4. No alteration of the Scheme Rules will operate to adversely affect any right which any Selected Participant has accrued on that date.
- 15.5. The amended terms of the Scheme Rules and the Awards will comply with the relevant requirements of all Applicable Laws, rules and regulations including but not limited to the GEM Listing Rules.

16. ALTERATION OF TERMS AND CONDITIONS OF AWARDS GRANTED

- 16.1. Any change to the terms of any Award granted to a Selected Participant must be approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Awards was approved by the Directors, the independent non-executive directors, the Remuneration Committee, and/or the Shareholders in general meeting (as the case may be), in accordance with the terms of the Scheme Rules and Chapter 23 of the GEM Listing Rules. The foregoing provisions shall not apply where the alterations take effect automatically under the existing terms of the Scheme Rules.
- 16.2. The amended terms of the Awards will comply with the relevant requirements of all Applicable Laws, rules and regulations including but not limited to the GEM Listing Rules.

17. MISCELLANEOUS

- 17.1. The Company will bear the costs of establishing and administering the Scheme.
- 17.2. The Scheme does not form part of any contract of employment or services between any member of the Group and any Eligible Participant. The rights and obligations of any Eligible Participant under the terms of his/her employment or provision of services will not be affected by his/her participation in the Scheme. Subject to Applicable Laws, rules and regulations, the Scheme does not give any Eligible Participant any additional rights to compensation or damages in consequence of the termination of such employment or office or provision of service for any reason.

- 17.3. The Scheme will not confer on any person any legal or equitable right (other than those constituting the Awards themselves) against any member of the Group directly or indirectly or, other than in relation to the rights attached to the Awards themselves, give rise to any cause of action at law or in equity against any member of the Group.
- 17.4. The grant of Awards on a particular basis in any year does not create any right to the grant of Awards on the same basis, or at all, in any future year. Participation in the Scheme at any time does not imply any right of participation, or any right to be considered for participation later.
- 17.5. The Company will provide the terms of the Scheme to all Selected Participants upon joining the Scheme. The Company will provide to all Selected Participants all changes in the terms of the Scheme during the life of the Scheme immediately upon such changes taking effect.
- 17.6. An Eligible Participant must obtain any governmental, regulatory or other official consent and file all necessary registrations that may be required by any country or jurisdiction in order to allow such Eligible Participant to participate in the Scheme as a Selected Participant. The Company will not be responsible for any failure by an Eligible Participant to obtain such consent or to file any such registration. The Company will not grant any Award or vest any Awarded Shares to an Eligible Participant unless, if so requested by the Company, the Eligible Participant proves to the satisfaction of the Company that all such consents or registrations have been obtained or made. Each Eligible Participant indemnifies and holds harmless the Group against any action, claim, demand, investigation, loss, liability, damages, or fine made or brought and all costs, fees and expenses relating thereto against any member of the Group which results or may have resulted from his/her failure to obtain the necessary consents and file the necessary registrations.
- 17.7. An Eligible Participant must pay all taxes and discharge all other liabilities to which he/she may become subject as a result of his/her participation in the Scheme as a Selected Participant or vesting of the Awarded Shares. The Company will not be responsible for any tax or other liability to which an Eligible Participant may become subject as a result thereof.
- 17.8. Each of the Company and the relevant Employer may withhold such amount and make such arrangements as it considers necessary to meet any liability to taxation or social security contributions in respect of Awards or Awarded Shares. These arrangements may include the sale or reduction in the number of any Awarded Shares unless the Selected Participant discharges the liability himself/herself.
- 17.9. A Selected Participant who is a Director may, subject to and in accordance with the Articles and subject as otherwise provided in the Scheme, notwithstanding his/her interest, vote on any Board resolution concerning the Scheme (other than in respect of his/her own participation) and may retain any benefit under the Scheme.

17.10. The Scheme and all Awards granted under the Scheme will be governed by and construed in accordance with the laws of Hong Kong. Hong Kong courts shall be the exclusive venue for resolving dispute relating to or arising from the Scheme.